



**NOVARE**<sup>®</sup>  
actuaries & consultants

**| Monthly Report |**

**SALA Pension Fund**

June 2022

# TABLE OF CONTENTS

**Section A: Market Overview**

**Section B: Fund Overview**

**Section C: Glossary**



# REPORT OVERVIEW

## SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

The Fund comprises of both defined benefit and defined contribution schemes, as such the Fund has 4 investment portfolios.

## FUND PERFORMANCE

The performance figures of the Fund represent the performance as calculated by Novare's pricing division and are **net** of manager fees.

The financial year end of the Fund is 30 June. The returns for the financial year reflect returns from the 1<sup>st</sup> of July.

Year to date ("YTD") performance represents calendar year to date.

## MARKET OVERVIEW

The performance figures reflected in Section A of this report have been sourced from Reuters.

## PERFORMANCE FOR PERIODS LONGER THAN 12 MONTHS

All performance figures for periods greater than 12 months (1 year) are annualised, unless indicated otherwise.

## MANAGER PERFORMANCE

The performance figures of the Fund's underlying managers represent the returns as per the manager monthly reports.

## OBJECTIVE

The objective of the DB Portfolio represents the inflation target of CPI + 4.5%

The objective of the DC Growth Portfolio represents the inflation target of CPI + 4.5%

The objective of the DC Moderate Portfolio represents the inflation target of CPI + 3%

The objective of the Pensioner Portfolio represents the inflation target of CPI + 4.5%

## BENCHMARK

The benchmark performance in this report for the DB portfolio is as follows:

<b>Asset Class</b>	<b>Allocation</b>	<b>Benchmark</b>
<b>Domestic Equities</b>	26.5%	Capped SWIX
<b>Domestic Protected Equities</b>	5%	JSE TOP 40
<b>Domestic Fixed Income</b>	12.5%	ALBI
<b>Domestic Property</b>	3.5%	SA Listed Property
<b>Domestic Money Market</b>	7.5%	STeFI
<b>Domestic Alternatives</b>	15%	CPI + 3.5%
<b>Africa</b>	5%	Fund Returns
<b>International</b>	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

The benchmark performance in this report for the DC Growth portfolio is as follows:

<b>Asset Class</b>	<b>Allocation</b>	<b>Benchmark</b>
<b>Domestic Equities</b>	37.5%	Capped SWIX
<b>Domestic Protected Equities</b>	5%	JSE TOP 40
<b>Domestic Fixed Income</b>	7.5%	ALBI
<b>Domestic Property</b>	5%	SA Listed Property
<b>Domestic Money Market</b>	2.5%	STeFI
<b>Domestic Alternatives</b>	12.5%	CPI + 3.5%
<b>Africa</b>	5%	Fund Returns
<b>International</b>	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

# REPORT OVERVIEW

The benchmark performance in this report for the Pensioner portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	26.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	12.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	7.5%	STeFI
Domestic Alternatives	15%	CPI + 3.5%
Africa	5%	Fund Returns
International	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

The benchmark performance in this report for the DC Moderate portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	7.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	27.5%	ALBI
Domestic Money Market	35%	STeFI
Domestic Alternatives	10%	CPI + 3.5%
International	15%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

## TACTICAL LIMITS

DB Portfolio

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	50%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

DC Growth

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	55%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

Pensioner Portfolio

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	50%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

DC Moderate

Asset Class	Lower limit	Upper limit
Domestic Equities	7.5%	25%
Domestic Fixed Income	20%	40%
Domestic Property	0%	10%
Domestic Money Market	15%	60%
Domestic Alternatives	2.5%	15%
Africa	0%	0%
International	5%	25%

## DISCLAIMER

This document is confidential and issued for information purposes only and intended solely for the addressee(s) and members of the **South African Local Authorities Pension Fund**, which employs Novare Actuaries and Consultants (Pty) Ltd (Registration number: 2001/008015/07) (**NAC**), as its Investment Consultant. The performance of the Fund is dependent on the fluctuations of the underlying financial instruments, exchange rates and other economic factors. Past performance is not a guarantee for future performance. No guarantees are provided in relation to portfolio investment performance. NAC does not accept any liability or responsibility of whatsoever nature and however arising in respect of any claim, damage, loss or expense relating to or arising out of or in connection with the reliance by anyone on the contents of this document. Copyright of this document will remain vested with NAC and may not be reproduced to anyone in part or whole without the prior written consent of NAC.

NAC is an Authorised Financial Service Provider in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002. **FSP No. 815.**

NAC is approved by the Financial Services Board in terms of Section 13B of the Pension Funds Act, 24 of 1956, as an Investment Administrator: 24/ 456.

# Section A

Market Overview



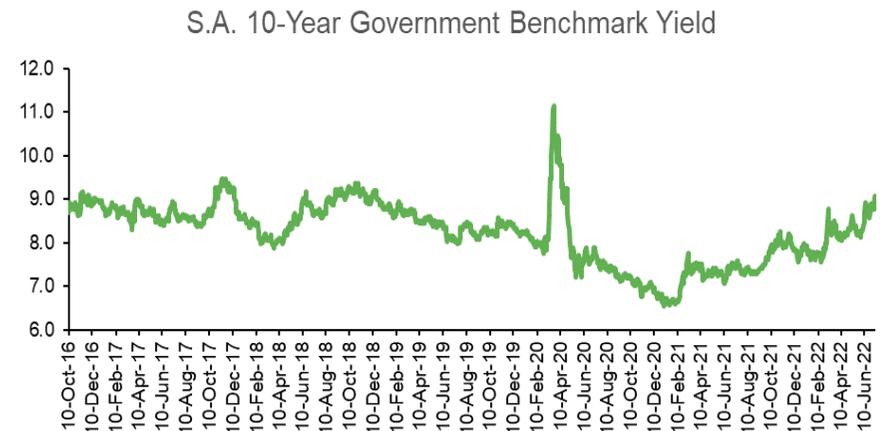
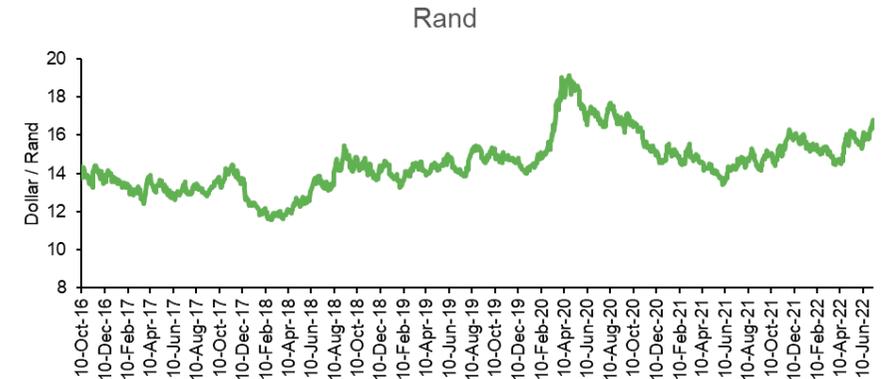
# DOMESTIC MARKET VIEW



The South African (SA) stock market recorded its biggest monthly fall (FTSE/JSE Capped SWIX -7.5% MoM) since the start of the pandemic in March 2020 as the benchmark followed global markets lower. The local bourse has held up relatively well YTD with strong commodity markets supporting the country's terms of trade and depressed domestic equity valuations attracting flows as investors rushed to switch out of relatively expensive growth shares. However, as the prospect of an accelerated tightening of global monetary conditions started to increase the possibility of a meaningful slowdown in global economic growth.

Miners were amongst the worst performers in June, down 14% MoM, with Anglo American the worst of the bunch (-24% MoM) as commodity prices dropped with the increasing possibility of slower global economic growth. Iron ore fell 13% MoM and platinum dropped 7% MoM (both in US dollar terms).

Companies geared towards the domestic economy also fared poorly in June as banks and insurers fell 13% MoM and 15% MoM, respectively. The rare bright spots for local equities came from Mediclinic (20% MoM) and Naspers/Prosus (38% and 30% MoM, respectively). The latter pairing saw their share prices rally strongly on the news that their management had received approval to start selling down the shares of their biggest underlying investment, Chinese tech conglomerate Tencent, and would be using the proceeds to buy back their shares. Food retailer, Pick n Pay (5.7% MoM) also managed to deliver a positive monthly return as it narrowed the valuation gap with peers.

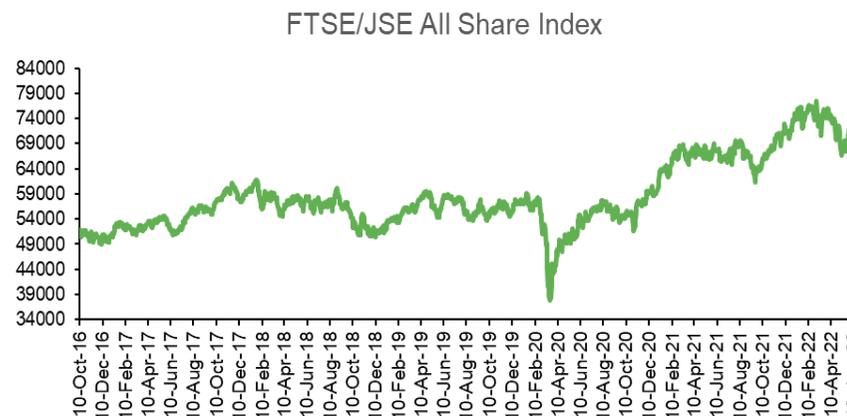
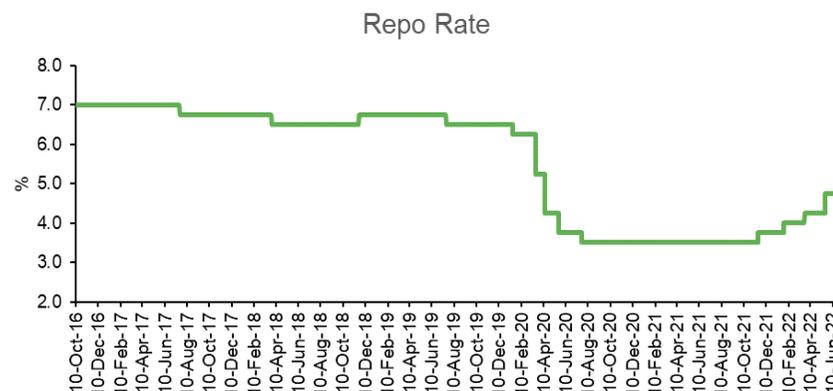


# DOMESTIC MARKET VIEW

SA's May inflation data (6.5% YoY) released during the month was worse than anticipated (6.1% YoY) and, for the first time since March 2017, above the upper band of the SA Reserve Bank's 3% to 6% target range. Although much of the inflation is currently being driven by higher food and energy prices, core inflation, excluding those categories, came out in line with expectations at 4.1% YoY. Rising inflation, both locally and globally, and the prospect of tighter monetary conditions were enough to push SA's 10-year government bond yield to 11% by month-end – up from 10.3% at the start of the month. Excluding a brief foray above 11% at the start of the pandemic, this is the first time the government's 10-year borrowing rate has reached 11% in more than 20 years.

Challenges at SA's power utility added to pessimism around the potential impact of slowing global economic growth. Striking Eskom employees exacerbated the already challenged state of the utility's ability to meet the country's energy needs, forcing loadshedding to Stage 6 for the first time since 2019, with the country clocking up 62 days of blackouts in the first half of the year. The SA rand fell 3.9% MoM against the US dollar, dragging it slightly lower YTD (-2%) against a strong US currency.

On the economy side, GDP expanded by 1.9% in the first quarter of 2022. Real GDP is now slightly higher than what it was before the Covid-19 pandemic. South Africa's trade surplus broadened to R28.35bn in May of 2022 - above market forecasts of R22bn.

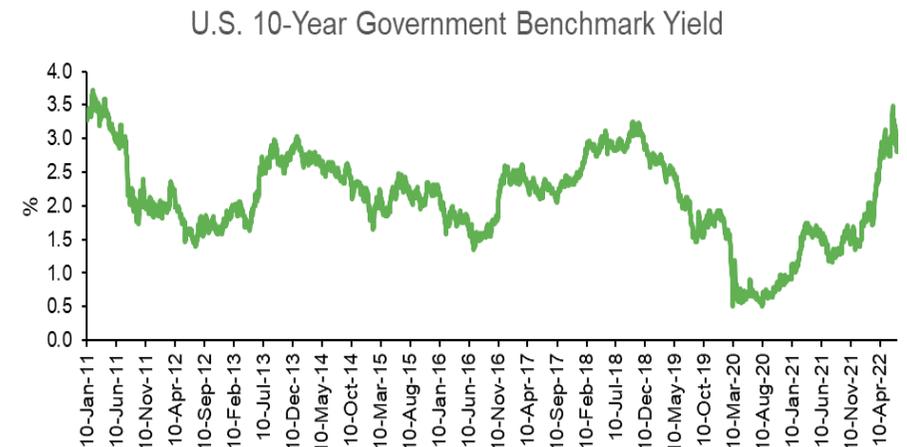
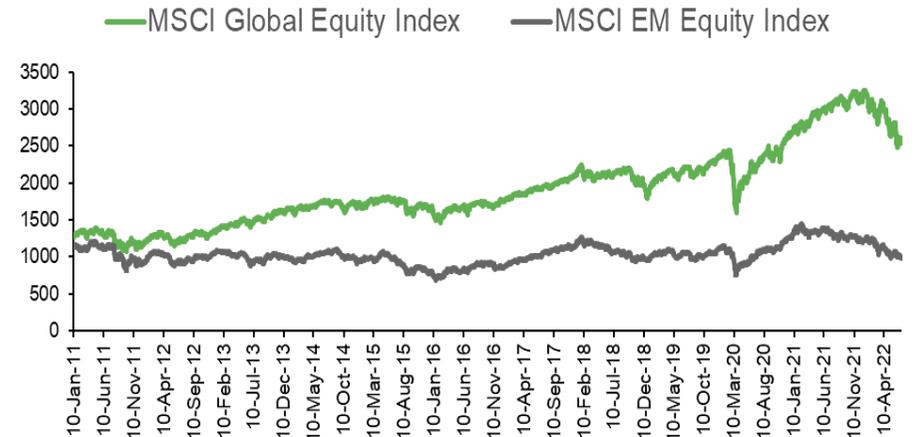


# INTERNATIONAL MARKET VIEW

June was the worst month of an already tough year for global equity markets (MSCI World -8.6% MoM) as developed market (DM) equities fell far enough to push them into a bear market (officially a drop of over 20% from their previous peak – MSCI World -20.3% YTD), giving them the worst first-half performance since 1970.

The catalyst for investor pessimism in June was the release of US May inflation data (8.6% YoY), which came in not only higher than expectations (of 8.3% YoY) but also above the previous peak of this latest inflationary bout in March (8.5% YoY) in an ominous sign that we are not yet “past the peak” inflation in the US. Days later the US Federal Reserve (Fed) announced a 0.75% rate hike (the largest increment since 1994). Bond yields spiked as investors scrambled to price in a more aggressive path of monetary policy tightening for global central banks, with US 10-year government bond yields reaching 3.5% intra-month, the highest level since 2011 when US politicians haggling over the budget caused a government shutdown and rating agencies downgraded the US sovereign credit rating. US 10-year bond yields fell into month-end, settling at 3.0% (0.2% ahead of their May close), but that was enough to push the Bloomberg Global Bond Index down 3.2% for the month, leaving it 14% lower YTD, more than twice the previous worst first half of the year in 1999 (-6%).

The prospect of the Fed leading the way in monetary policy tightening and general risk aversion was a tailwind for the US dollar which rallied against most currencies (Euro -2.3%, British pound -3.4%, Japanese yen -5.2%, and Brazilian real -9.9%, all down MoM against the US dollar).

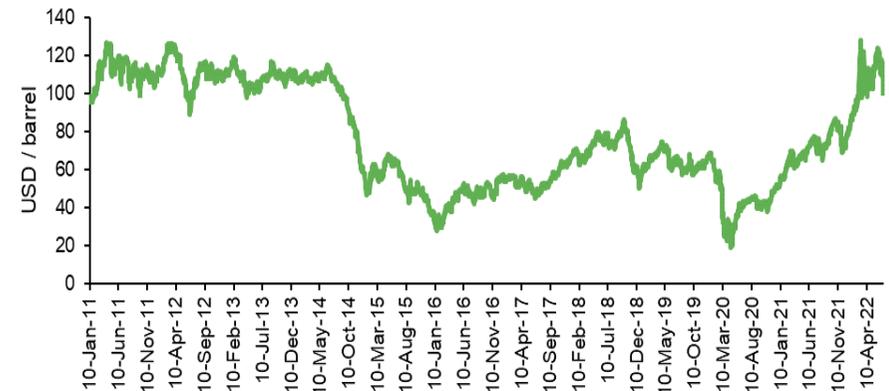


# INTERNATIONAL MARKET VIEW

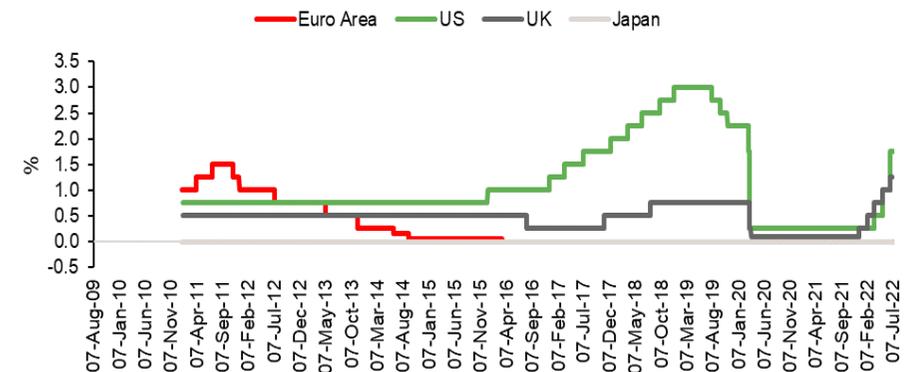
Within DM equities, tech shares were still amongst the biggest losers, with the tech-heavy Nasdaq 100 Index down 9% MoM and 29% YTD, while the S&P 500 energy sector (the only sector in positive territory YTD), was the worst-performing sector in June (-17% MoM) as oil fell by 6.5% MoM. With oil supply still constrained by the conflict in Ukraine, the drop in the oil price was at least partially a function of investors factoring in the prospect of tightening monetary policy causing a recession that would dampen demand. The increasing possibility of a recession weighed on other commodity prices as well (Bloomberg Industrial Metals Index -16% MoM and the Bloomberg Agricultural Commodity Index -9% MoM).

The drop in commodity prices weighed on the Brazilian stock market, this year's best-performing global market, which fell 11.5% MoM. Despite the poor month for Brazilian equities, emerging market (EM) equities outperformed DM equities for the third consecutive month, though EMs still had their worst month of the year (MSCI EM -6.6% MoM and -17.6% YTD). The EM outperformance was predominantly thanks to a strong performance by Chinese shares (Shanghai Composite Index 7.5% MoM) as the country began to emerge from its harsh COVID lockdowns and, in a sign that regulations were possibly shifting to a tailwind for China's tech sector.

### OIL (BRENT)



### G4 Policy Rates



# TACTICAL ASSET ALLOCATION

## RSA BONDS

In the fixed income markets the ALBI returned 3.06% during June. The yield curve shifted up in June — with an increase in yield of 62bp recorded for the shorter-dated R186, while the R2030 rose by 73.5bp. Yields rose less at the longer end of the curve, with the R2048 yield increasing by 57bp. The R186 returned -1.43% m/m, while the R2030 and the R2048 returned -3.01% m/m and -3.79% m/m respectively. Non-residents remained net sellers, with the R33.4bn outflow in June notably higher than May's R19bn outflow. This brings the cumulative outflow for the last 12 months to R288.4bn.

SA's May inflation data (6.5% YoY) released during the month was worse than anticipated (6.1% YoY) and, for the first time since March 2017, above the upper band of the SA Reserve Bank's 3% to 6% target range. Although much of the inflation is currently being driven by higher food and energy prices, core inflation, excluding those categories, came out in line with expectations at 4.1% YoY. Rising inflation, both locally and globally, and the prospect of tighter monetary conditions were enough to push SA's 10-year government bond yield to 11% by month-end — up from 10.3% at the start of the month. Excluding a brief foray above 11% at the start of the pandemic, this is the first time the government's 10-year borrowing rate has reached 11% in more than 20 years.

We expect that SA bonds will continue to be driven by US rates and global risk sentiment. We are becoming constructive on the asset class as we believe a lot of negative news has been priced in. The war will lead to higher inflation in SA but, even so, we see nowhere near the hikes that are being priced into the market. We have recently increased our bond allocation to a neutral position and will be looking to increase that further into any weakness.

## RSA PROPERTY, ALTERNATIVES AND CASH

During June, listed property experienced its worst month in a year, ending down 10.3%. Sector fundamentals remain challenging but seem to be largely troughing and even turning in some instances. Rental growth will remain under pressure for

some time given excess supply, particularly in the office sector. The latest move down has been driven mostly by expectations of global rate hikes and a possible move into recession.

We will be looking to increase our allocation to the asset class as we see some signs of normality returning to the local macro environment and on a basis of probability see more upside than downside risk. The SARBs rate hiking cycle also does not warrant an increase in our allocation.

In South Africa's money market, the 3-m JIBAR rate rose 12bp to end the month at 5.01%, while the 12-m JIBAR rate went up by 62bp to 7.44%. In the last 12 months, the rates are up 132bp and 265bp respectively. The 12-m T-bill average yield rose by 30bp m/m to 7.04% at the end of June.

## RSA EQUITIES

The South African (SA) stock market recorded its biggest monthly fall (FTSE/JSE Capped SWIX -7.5% MoM) since the start of the pandemic in March 2020 as the benchmark followed global markets lower. Miners were amongst the worst performers in June, down 14% MoM, with Anglo American the worst of the bunch (-24% MoM) as commodity prices dropped with the increasing possibility of slower global economic growth. Iron ore fell 13% MoM and platinum dropped 7% MoM (both in US dollar terms).

Companies geared towards the domestic economy also fared poorly in June as banks and insurers fell 13% MoM and 15% MoM, respectively. The rare bright spots for local equities came from Mediclinic (20% MoM) and Naspers/Prosus (38% and 30% MoM, respectively).

The latter pairing saw their share prices rally strongly on the news that their management had received approval to start selling down the shares of their biggest underlying investment, Chinese tech conglomerate Tencent, and would be using the proceeds to buy back their shares. Food retailer, Pick n Pay (5.7% MoM) also managed to deliver a positive monthly return as it narrowed the valuation gap with

peers. We have started to reduce our underweight to this asset class and will consider increasing further should the opportunity arise.

## INTERNATIONAL

June was the worst month of an already tough year for global equity markets (MSCI World -8.6% MoM) as developed market (DM) equities fell far enough to push them into a bear market (officially a drop of over 20% from their previous peak – MSCI World -20.3% YTD), giving them the worst first-half performance since 1970.

The catalyst for investor pessimism in June was the release of US May inflation data (8.6% YoY), which came in not only higher than expectations (of 8.3% YoY) but also above the previous peak of this latest inflationary bout in March (8.5% YoY) in an ominous sign that we are not yet “past the peak” inflation in the US. Days later the US Federal Reserve (Fed) announced a 0.75% rate hike (the largest increment since 1994). Bond yields spiked as investors scrambled to price in a more aggressive path of monetary policy tightening for global central banks, with US 10-year government bond yields reaching 3.5% intra-month, the highest level since 2011 when US politicians haggling over the budget caused a government shutdown and rating agencies downgraded the US sovereign credit rating. US 10-year bond yields fell into month-end, settling at 3.0% (0.2% ahead of their May close), but that was enough to push the Bloomberg Global Bond Index down 3.2% for the month, leaving it 14% lower YTD, more than twice the previous worst first half of the year in 1999 (-6%).

The prospect of the Fed leading the way in monetary policy tightening and general risk aversion was a tailwind for the US dollar which rallied against most currencies (Euro -2.3%, British pound -3.4%, Japanese yen -5.2%, and Brazilian real -9.9%, all down MoM against the US dollar).

Within DM equities, tech shares were still amongst the biggest losers, with the tech-heavy Nasdaq 100 Index down 9% MoM and 29% YTD, while the S&P 500 energy sector (the only sector in positive territory YTD), was the worst-performing sector in June (-17% MoM) as oil fell by 6.5% MoM. With oil supply still constrained by the conflict in Ukraine, the drop in the oil price was at least partially a function of investors factoring in the prospect of tightening monetary policy causing a recession that would dampen demand. The increasing possibility of a recession weighed on other

commodity prices as well (Bloomberg Industrial Metals Index -16% MoM and the Bloomberg Agricultural Commodity Index -9% MoM).

The drop in commodity prices weighed on the Brazilian stock market, this year’s best-performing global market, which fell 11.5% MoM. Despite the poor month for Brazilian equities, emerging market (EM) equities outperformed DM equities for the third consecutive month, though EMs still had their worst month of the year (MSCI EM -6.6% MoM and -17.6% YTD). The EM outperformance was predominantly thanks to a strong performance by Chinese shares (Shanghai Composite Index 7.5% MoM) as the country began to emerge from its harsh COVID lockdowns and, in a sign that regulations were possibly shifting to a tailwind for China’s tech sector.

### NOVARE HOUSE VIEW: June 2022 TACTICAL POSITIONING\*

	UNDER-WEIGHT	← ON-WEIGHT	→ OVER-WEIGHT	PREVIOUS
<b>DOMESTIC</b>	Under-weight			
Equities	95%			90%
Bonds		100%		95%
Property	95%			85%
Alternatives		100%		100%
Cash		Balancing		100%
<b>OFFSHORE</b>			120%	120%
Equities	90%			80%
Bonds	80%			70%
Property	90%			
Alternatives			125%	100%
<b>AFRICA</b>		100%		

\* positioning is as a % of strategic asset allocation

#### Summary:

Novare remains underweight domestic equities, domestic property and onweight domestic bonds: whilst maintaining an overweight to International assets. Due to the limit of 30% to international assets, the balance of any domestic assets will be invested in cash.

++
+
Neutral
-
--

# TACTICAL ASSET ALLOCATION

Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	-8.4%	-15.5%	-20.0%	-15.4%	6.7%	7.5%
MSCI Emerging Markets	-6.6%	-11.3%	-17.5%	-25.0%	0.9%	2.5%
Global Bonds (R)	0.7%	2.3%	-12.1%	-3.3%	1.6%	4.0%

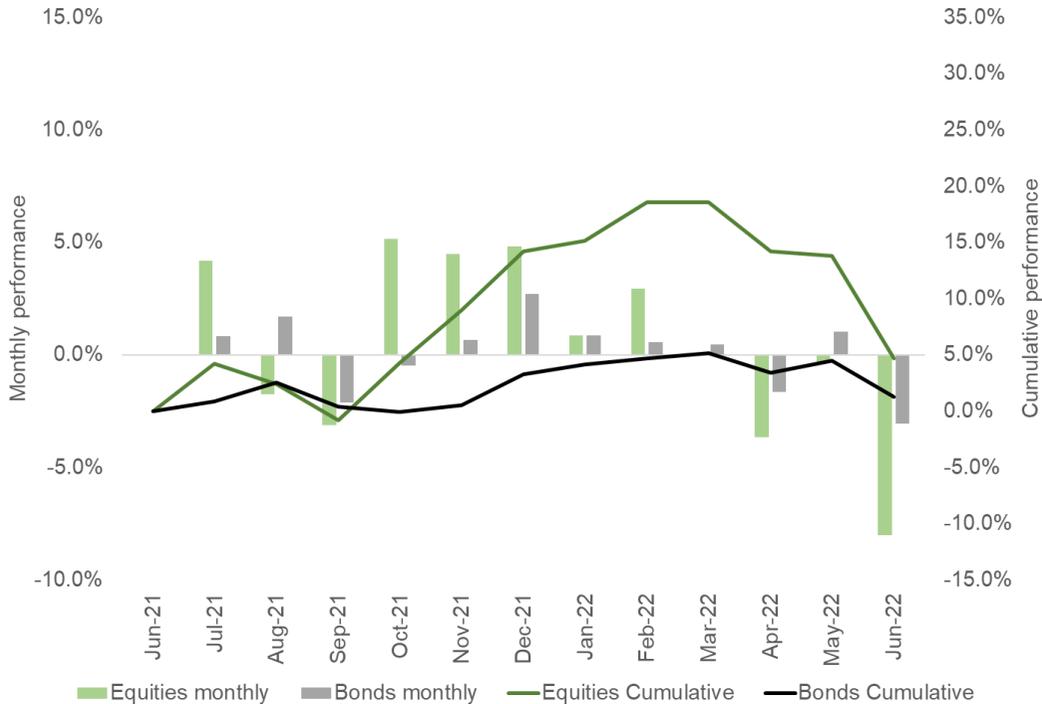
  

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	-5.7%	4.1%	40.2%	46.1%	19.2%	17.5%
Platinum (USD/oz)	-5.1%	-7.7%	-5.4%	-14.5%	3.2%	-0.2%
Gold (USD/oz)	-2.1%	-6.0%	-0.8%	3.1%	8.8%	7.9%

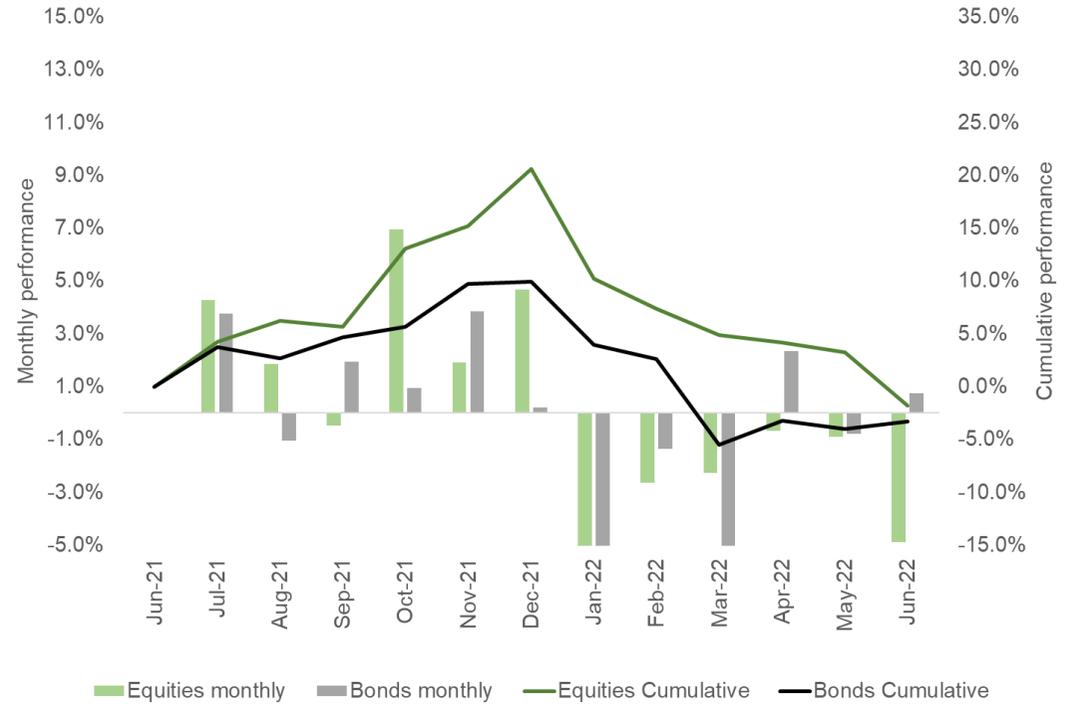
Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	-8.0%	-11.7%	-8.3%	4.7%	8.2%	8.7%
Domestic Bonds	-3.1%	-3.7%	-1.9%	1.3%	5.8%	7.8%
Domestic Cash	0.4%	1.2%	2.2%	4.2%	5.0%	5.9%
Domestic Property	-10.3%	-11.6%	-12.7%	0.2%	-9.0%	-7.3%
International Equity	-4.9%	-6.4%	-18.6%	-1.8%	12.8%	13.1%
International Bonds	0.7%	2.3%	-12.1%	-3.3%	1.6%	4.0%
Exchange rate (R / \$)	4.1%	11.5%	2.2%	14.1%	4.9%	4.5%

Scale:  
 Best performing asset class █  
 Worst performing asset class █

Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



## Section B

### Fund Overview

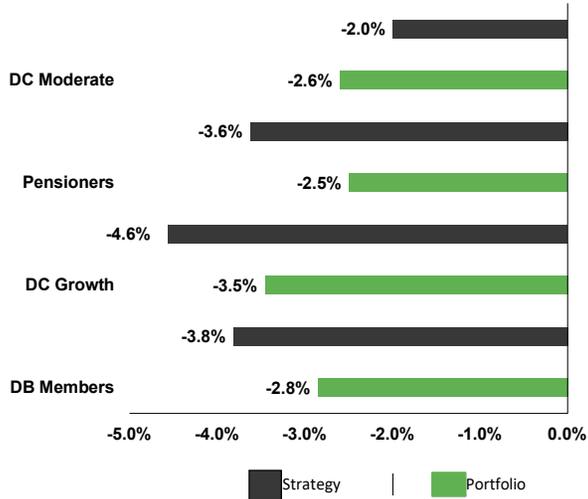


# EXECUTIVE SUMMARY

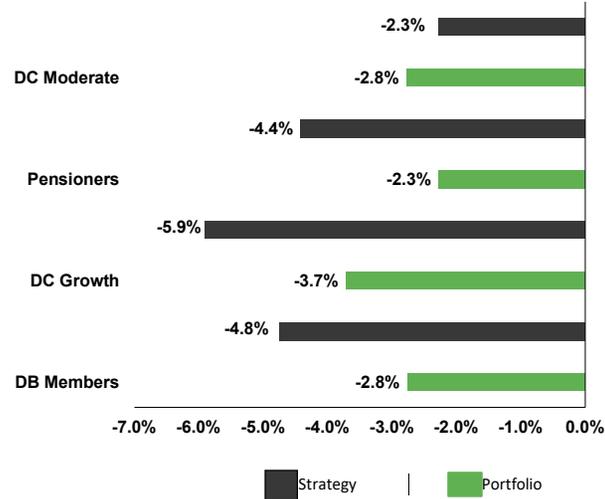
## SHORT TERM RETURNS VERSUS STRATEGIES



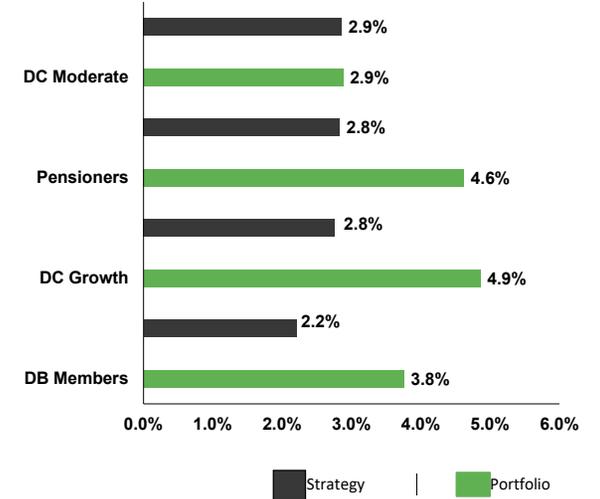
Monthly Return for June 2022



3 Months Return up to June 2022



1 Year Return up to June 2022



# PORTFOLIO MARKET VALUES AND SHORT TERM RETURNS

The below sets out the portfolio returns of the funds over the short term periods in comparison with their respective strategies.

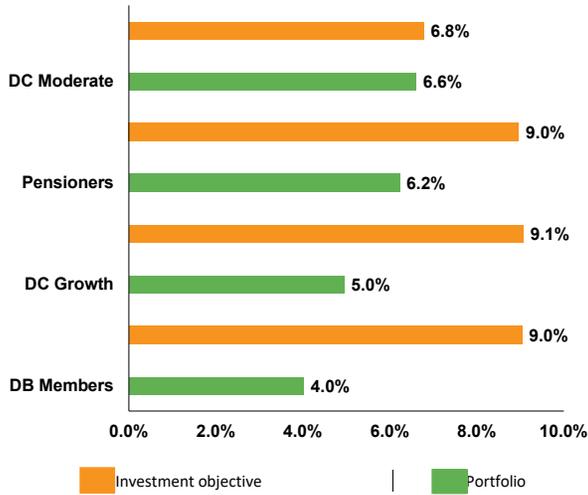
	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)
DB Members Strategy	8 227 663 778	67.3%	-2.8%	-2.8%	-4.8%	3.8%
			-3.8%	-4.8%	-5.9%	2.2%
			1.0%	2.0%	1.1%	1.5%
DC Growth Strategy	2 051 493 734	16.8%	-3.5%	-3.7%	-4.9%	4.9%
			-4.6%	-5.9%	-6.6%	2.8%
			1.1%	2.2%	1.8%	2.1%
DC Moderate Strategy	285 887 503	2.3%	-2.6%	-2.8%	-3.1%	2.9%
			-2.0%	-2.3%	-2.7%	2.9%
			-0.6%	-0.5%	-0.4%	0.0%
Pensioner Strategy	1 665 649 090	13.6%	-2.5%	-2.3%	-4.1%	4.6%
			-3.6%	-4.4%	-5.8%	2.8%
			1.1%	2.1%	1.8%	1.8%
	12 230 694 104	100%				

# EXECUTIVE SUMMARY

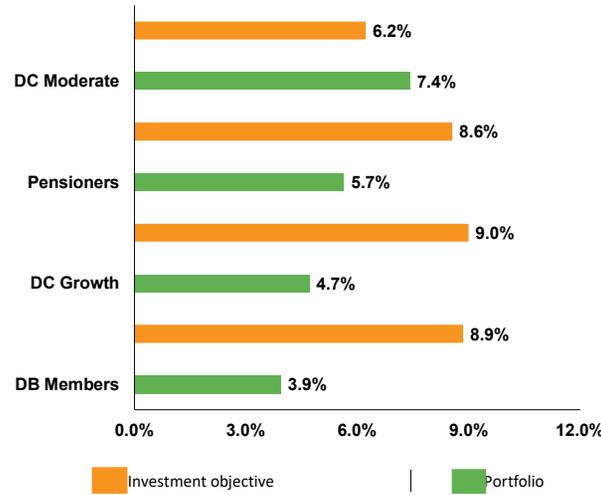
## LONG TERM RETURNS VERSUS OBJECTIVES



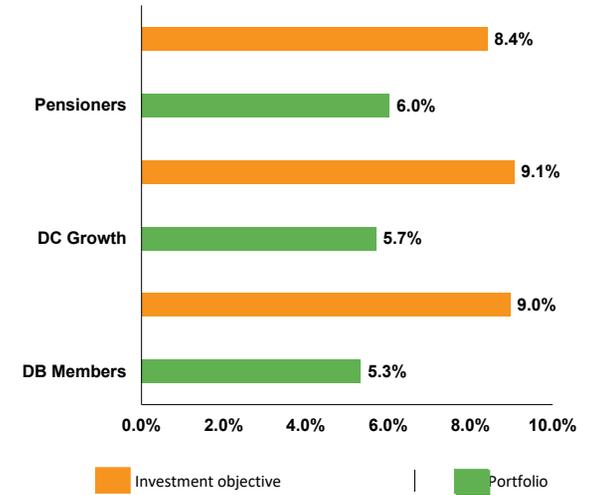
3 Year Return up to June 2022



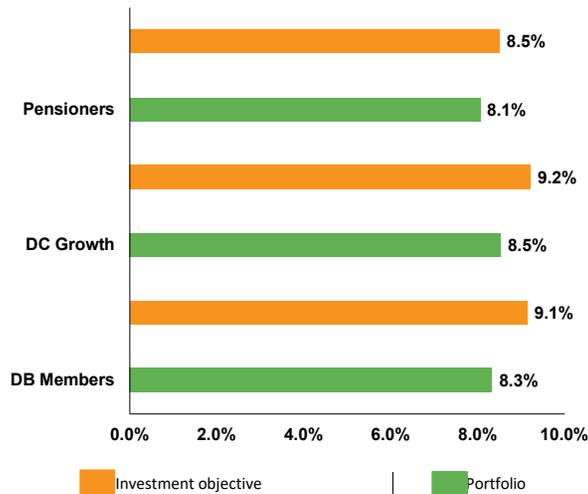
5 Year Return up to June 2022



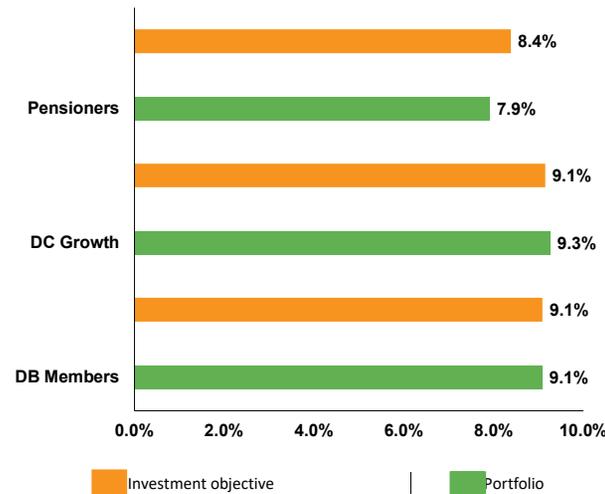
8 Year Return up to June 2022



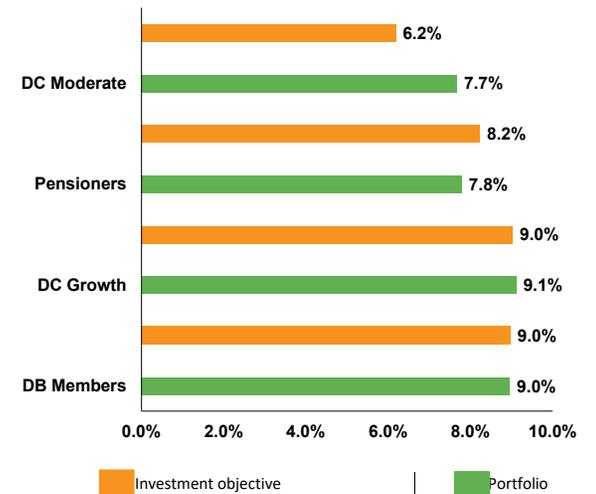
10 Year Return up to June 2022



12 Year Return up to June 2022



Returns Since Inception



# PORTFOLIO MARKET VALUES AND LONG TERM RETURNS

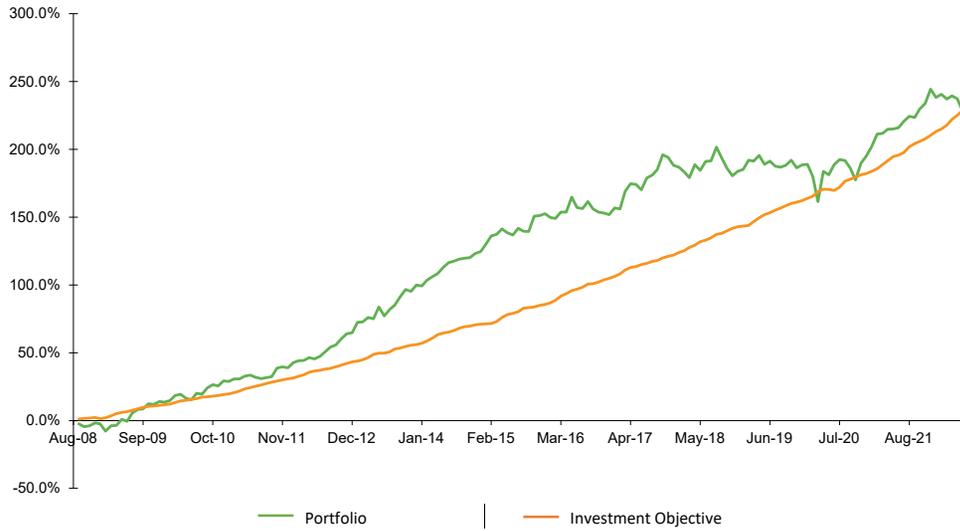
The below sets out the portfolio returns of the funds over the long term periods in comparison with their respective investment objectives.

	Market value (R)	Weight (%)	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	10 years (% p.a.)	12 years (% p.a.)	Since Inception
<b>DB Members Objective</b>	8 227 663 778	67.3%	4.0% 9.0% -5.0%	3.9% 8.9% -4.9%	5.3% 9.0% -3.6%	8.3% 9.1% -0.8%	9.1% 9.1% 0.0%	9.0% 9.0% 0.0%
<b>DC Growth Objective</b>	2 051 493 734	16.8%	5.0% 9.1% -4.1%	4.7% 9.0% -4.3%	5.7% 9.1% -3.4%	8.5% 9.2% -0.7%	9.3% 9.1% 0.1%	9.1% 9.0% 0.1%
<b>DC Moderate Objective</b>	285 887 503	2.3%	6.6% 6.8% -0.2%	7.4% 6.2% 1.2%	- - -	- - -	- - -	7.7% 6.2% 1.5%
<b>Pensioner Objective</b>	1 665 649 090	13.6%	6.2% 9.0% -2.7%	5.7% 8.6% -2.9%	6.0% 8.4% -2.4%	8.1% 8.5% -0.4%	7.9% 8.4% -0.5%	7.8% 8.2% -0.4%
	<b>12 230 694 104</b>	<b>100%</b>						

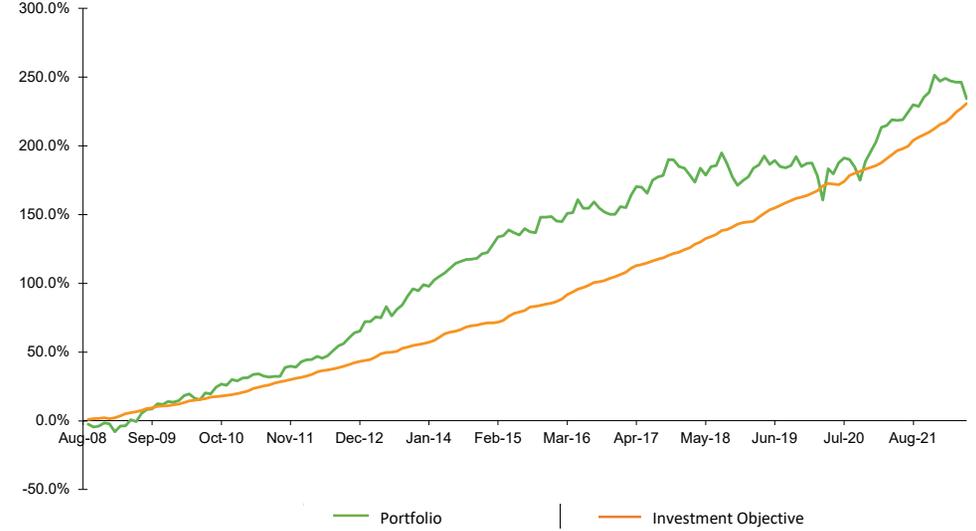
# LONG TERM RETURNS

Longer term returns should be used to assess the Fund's performance when compared to the benchmark as short term volatility may distort short term performance measurement.

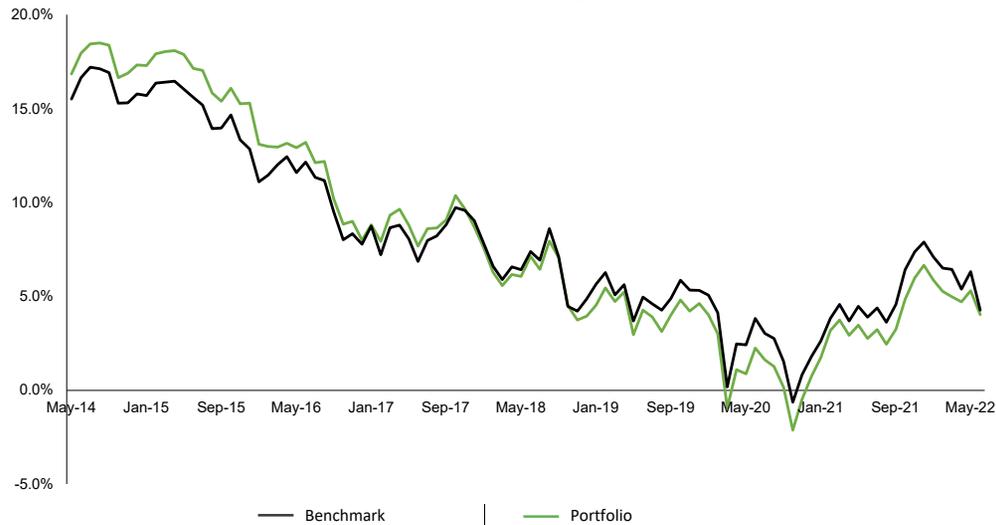
**DB Members - Cumulative return since 30 September 2009**



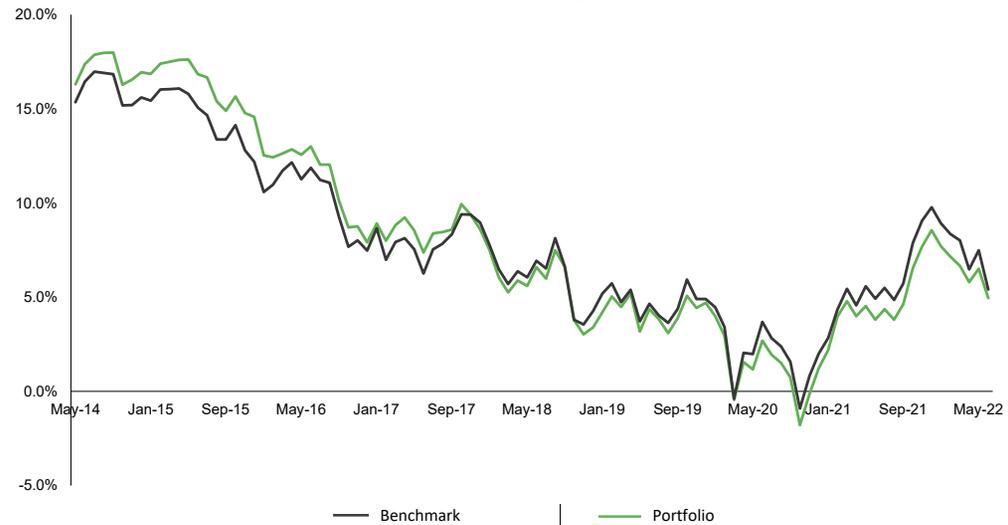
**DC Growth - Cumulative return since 30 September 2009**



**DB Members - 3 Year Rolling Returns**



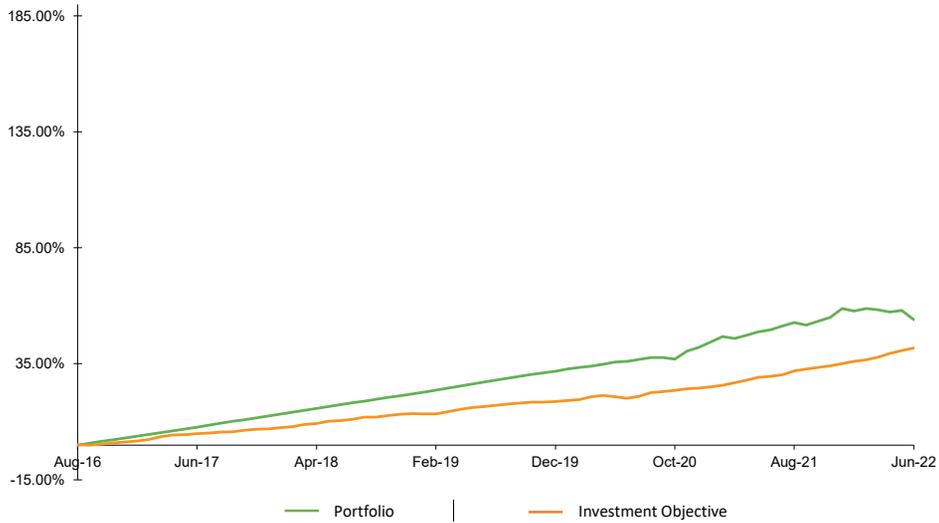
**DC Growth - 3 Year Rolling Returns**



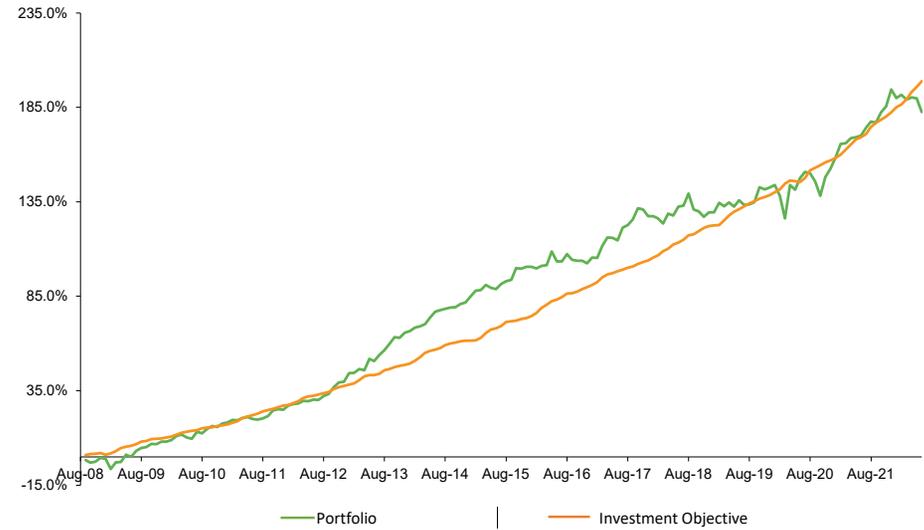
# LONG TERM RETURNS

Longer term returns should be used to assess the Fund's performance when compared to the benchmark as short term volatility may distort short term performance measurement.

**DC Moderate - Cumulative return since 30 September 2016**



**Pensioner - Cumulative return since 31 August 2008**



**DC Moderate - 1 Year Rolling Returns**



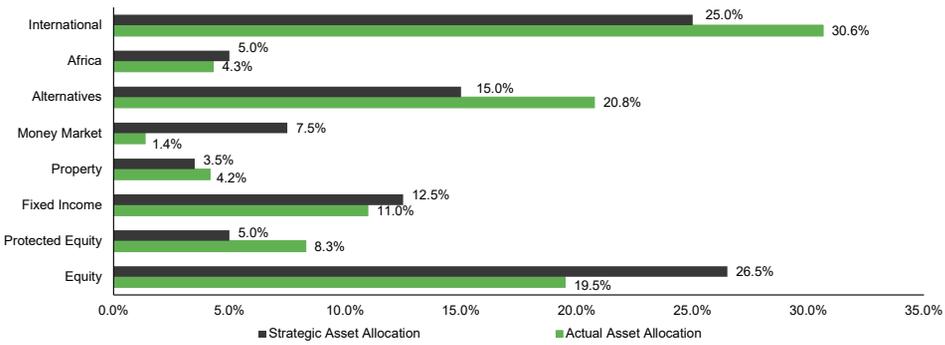
**Pensioner - 3 Year Rolling Returns**



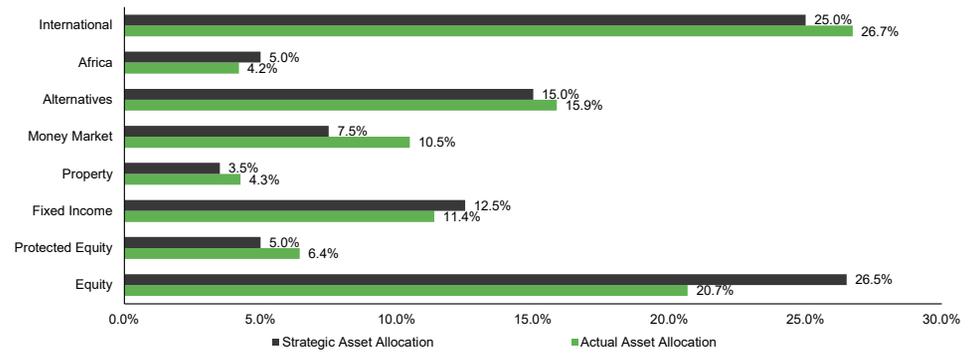
# ASSET ALLOCATION



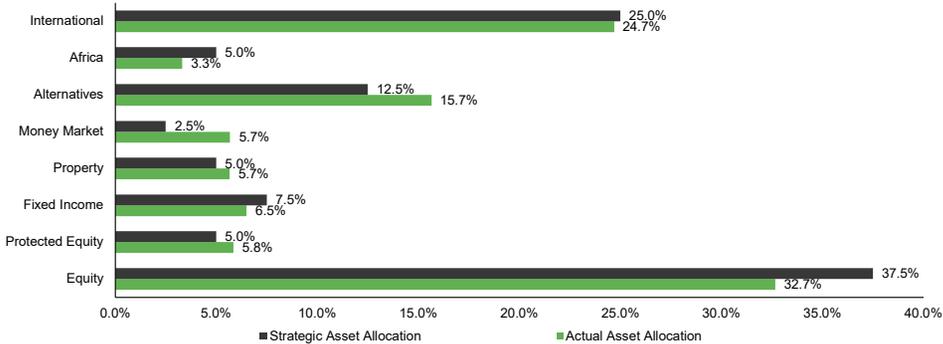
### DB Members



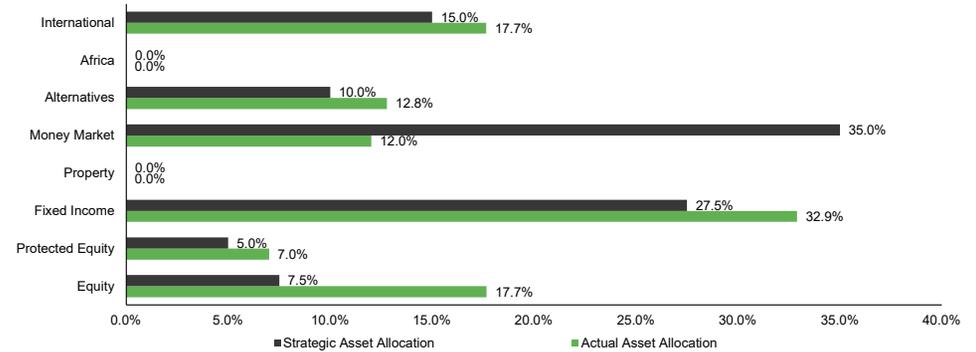
### Pensioner



### DC Growth



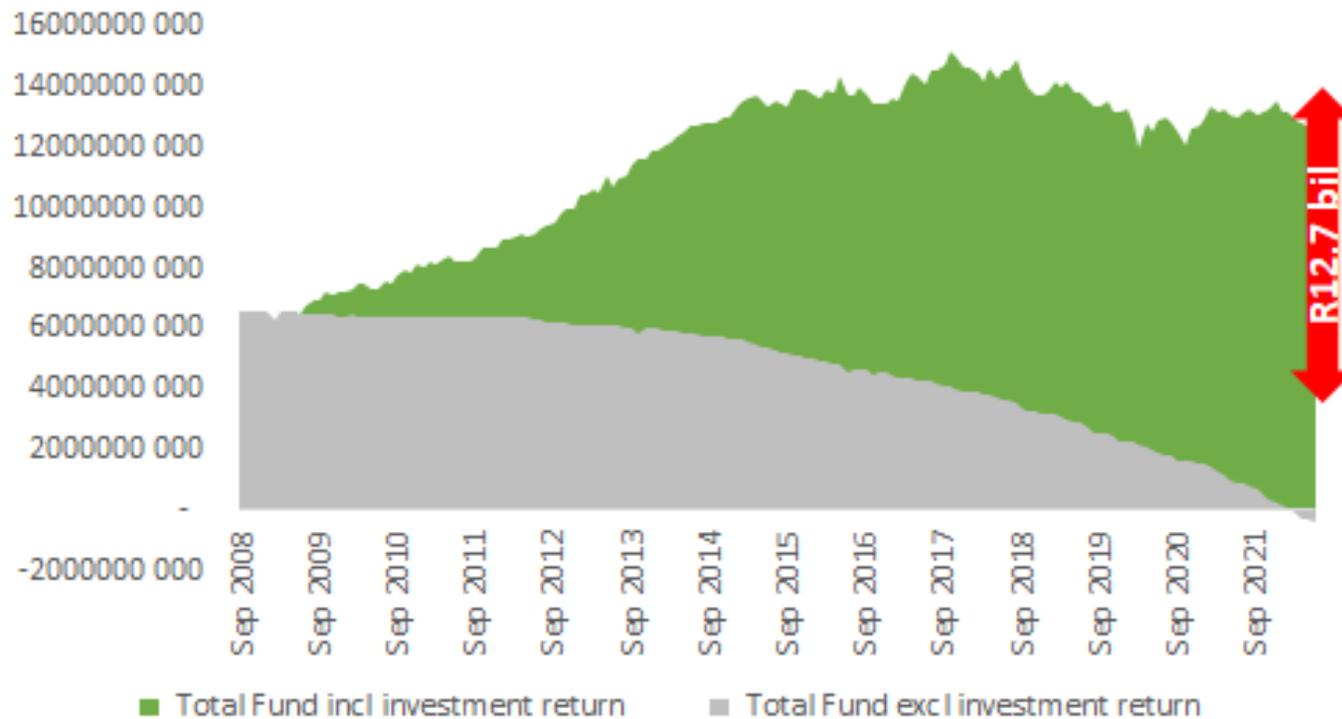
### DC Moderate



# LONG TERM RETURNS

Longer term returns should be used to assess the Fund's performance when compared to the benchmark as short term volatility may distort short term performance measurement.

## Estimate Value Added through Investment Returns since Inception



# MANAGER PERFORMANCE

The table below sets out the individual manager returns for funds and compares them with their respective benchmarks.

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Equity	<b>All Weather Equity</b> JSE Capped Share Weighted Index	2018/10/31	522 088 343.48	4.3%	-4.8%	-6.7%	16.0%	9.7%	-	9.6%
					-7.5%	-10.6%	6.9%	6.8%	-	7.7%
					2.6%	4.0%	9.0%	2.9%	-	1.9%
	<b>Aluwani Capital Equity</b> JSE Capped Share Weighted Index	2018/10/31	478 508 811.46	3.9%	-7.7%	-11.2%	3.3%	5.0%	-	6.8%
					-7.5%	-10.6%	6.9%	6.8%	-	7.7%
				-0.2%	-0.6%	-3.6%	-1.8%	-	-0.9%	
	<b>Argon Equity</b> JSE Capped Share Weighted Index	2018/10/31	300 487 078.93	2.5%	-6.7%	-8.2%	10.4%	8.0%	-	8.0%
					-7.5%	-10.6%	6.9%	6.8%	-	7.7%
					0.8%	2.4%	3.5%	1.2%	-	0.3%
	<b>Satrix Equity</b> JSE Capped Share Weighted Index	2018/10/31	276 912 665.93	2.3%	-8.2%	-12.0%	7.4%	7.2%	-	8.5%
					-7.5%	-10.6%	6.9%	6.8%	-	7.7%
					-0.7%	-1.4%	0.5%	0.5%	-	0.8%
	<b>Vunani Equity</b> JSE Capped Share Weighted Index	2018/10/31	247 286 822.30	2.0%	-8.0%	-11.3%	6.0%	6.1%	-	7.3%
					-7.5%	-10.6%	6.9%	6.8%	-	7.7%
					-0.5%	-0.7%	-0.9%	-0.7%	-	-0.4%
Equity Incubation	<b>Mianzo Equity</b> JSE Capped Share Weighted Index	2018/10/31	500 888 946.77	4.1%	-6.9%	-9.8%	9.7%	8.4%	-	9.1%
					-7.5%	-10.6%	6.9%	6.8%	-	7.7%
					0.5%	0.9%	2.8%	1.6%	-	1.4%
	<b>Balondolozzi Equity</b> JSE Capped Share Weighted Index	2018/10/31	342 987 532.75	2.8%	-7.1%	-10.3%	6.9%	5.7%	-	7.0%
					-7.5%	-10.6%	6.9%	6.8%	-	7.7%
					0.4%	0.3%	-0.1%	-1.1%	-	-0.7%
Protected Equity	<b>Mergence Structured Product</b> JSE All Share Index Top 40	2019/11/01	552 513 301.81	4.5%	-6.1%	-10.9%	1.9%	-	-	13.7%
					-8.1%	-12.3%	-0.1%	-	-	6.8%
					2.1%	1.3%	2.0%	-	-	6.9%
	<b>MAC Dynamic Protected Equity</b> SALA_MAC_Dynamic_Custom 80% DTop, 20% SteFi	2022/06/01	238 575 573.54	2.0%	-5.0%	-	-	-	-	-5.0%
					-6.4%	-	-	-	-	-6.4%
					1.4%	-	-	-	-	1.4%
Protected Equity Incubation	<b>REGIVE Protected Equity</b> SALA REGIVE SP Custom	2022/02/01	138 648 831.01	1.1%	-4.2%	-6.7%	-	-	-	-7.5%
					-8.1%	-12.3%	-	-	-	-11.4%
					3.9%	5.6%	-	-	-	3.8%

# MANAGER PERFORMANCE

The table below sets out the individual manager returns for funds and compares them with their respective benchmarks.

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Fixed Income	<b>Futuregrowth Infrastructure Bond</b> All Bond Index	2008/08/31	1 067 776 270.29	8.7%	-3.1%	-3.4%	3.3%	7.3%	9.2%	10.5%
					-3.1%	-3.7%	1.3%	5.8%	7.8%	8.4%
	<b>Stanlib Bond</b> All Bond Index	2008/08/31	251 850 866.28	2.1%	-3.0%	-3.6%	2.2%	6.7%	8.6%	9.2%
					-3.1%	-3.7%	1.3%	5.8%	7.8%	8.4%
Property	<b>Direct Property</b> NO BENCHMARK	2008/08/31	159 700 023.25	1.3%	-	-	-	-	-	-
					-	-	-	-	-	-
Money Market	<b>Sanlam Cash</b> STEFI Composite	2010/09/30	286 733 461.64	2.3%	0.4%	1.2%	4.9%	5.5%	6.8%	7.1%
					0.4%	1.2%	4.2%	5.0%	5.9%	6.1%
Money Market Incubation	<b>Transition Account</b>	2009/02/28	2 358 302.24	0.0%	-	-	-	-	-	-
					-	-	-	-	-	-
Money Market Incubation	<b>Cartesian Capital Money Market</b> STEFI Composite	2018/10/31	148 064 874.28	1.2%	0.4%	1.3%	4.8%	5.4%	-	5.6%
					0.4%	1.2%	4.2%	5.0%	-	5.4%
Alternatives	<b>Mayibentsha Focused</b> CPI + 4.5%	2011/07/31	549 616 537.32	4.5%	-1.2%	2.1%	5.5%	9.7%	7.7%	8.1%
					1.0%	3.3%	11.0%	9.1%	9.0%	9.6%
					-2.2%	-1.2%	-5.6%	0.6%	-1.3%	-1.6%
	<b>Mayibentsha Market Neutral</b> CPI + 2.5%	2011/07/31	453 578 827.52	3.7%	-0.2%	2.0%	6.2%	8.0%	7.6%	7.7%
					0.9%	2.9%	9.0%	7.1%	7.0%	7.6%
					-1.1%	-0.9%	-2.9%	1.0%	0.6%	0.1%
<b>Mayibentsha Moderate</b> CPI + 3.5%	2008/08/31	364 273 999.63	3.0%	-0.4%	3.0%	5.8%	9.6%	8.2%	8.6%	
				1.0%	3.1%	10.0%	8.1%	8.0%	8.5%	
				-1.4%	0.0%	-4.2%	1.6%	0.2%	0.1%	



# ASSET ALLOCATION

Asset Class	Manager	DB Members	DC Growth	DC Moderate	Pensioner	Total Fund	
Equity	All Weather Equity	157 630 696.4	236 590 283.5	18 588 834.5	109 278 529.1	522 088 343.5	
	Aluwani Capital Equity	298 963 804.6	165 798 260.0	108 849.5	13 637 897.4	478 508 811.5	
	Argon Equity	198 483 356.6	87 181 543.2	1 163 205.2	13 658 973.9	300 487 078.9	
	Balondolozzi Equity	252 480 940.4	74 923 991.4	1 003 989.2	14 578 611.7	342 987 532.8	
	Mianzo Equity	325 732 301.6	78 620 914.3	22 911 091.1	73 624 639.8	500 888 946.8	
	Satrix Equity	191 608 871.2	19 513 240.7	971 334.5	64 819 219.6	276 912 665.9	
Protected Equity	Vunani Equity	179 429 244.8	7 423 165.9	5 736 079.4	54 698 332.2	247 286 822.3	
	Mergence Structured Product	409 769 401.0	71 422 241.0	11 581 579.8	59 740 080.0	552 513 301.8	
	MAC Dynamic Protected Equity	160 874 287.8	39 818 682.5	5 532 538.8	32 350 064.5	238 575 573.5	
	Regive Protected Equity	112 001 251.9	8 662 178.3	2 906 305.6	15 079 095.2	138 648 831.0	
Fixed Income	Futuregrowth Infrastructure Bond	755 567 215.6	98 532 186.0	64 548 120.5	149 128 748.2	1 067 776 270.3	
	Stanlib Bond	147 193 281.0	34 802 228.6	29 489 593.3	40 365 763.4	251 850 866.3	
Property	Direct Property	127 317 543.5			32 382 479.8	159 700 023.3	
	Meago Property	214 807 458.2	116 129 777.1		38 601 318.2	369 538 553.5	
Money Market	Cartesian Capital Money Market	26 788 550.0	2 843 512.0	31 403 636.7	87 029 175.6	148 064 874.3	
	Sanlam Cash	82 727 095.4	113 719 380.9	2 952 274.4	87 334 710.9	286 733 461.6	
	Transition Account	2 358 302.2				2 358 302.2	
Alternatives	Mayibentsha Focused	385 382 049.1	92 792 691.8	9 367 973.1	62 073 823.3	549 616 537.3	
	Mayibentsha Market Neutral	333 834 904.2	58 847 966.0	7 596 390.1	53 299 567.3	453 578 827.5	
	Mayibentsha Moderate	218 474 764.9	78 218 967.4	10 899 937.1	56 680 330.3	364 273 999.6	
	Terebinth Capital	52 395 592.0	1 820 536.8	8 522 098.0	3 727 466.8	66 465 693.5	
	Tamela Capital	4 776 709.4	4 952 219.0		2 700 936.6	12 429 864.9	
	Legacy Africa	189 043 886.7	6 419 451.0		11 753 142.4	207 216 480.1	
	Sampada Private Equity	188 119 730.4	23 282 493.1		24 677 035.2	236 079 258.7	
	Sampada Private Equity 2	239 238 610.8	32 947 998.8		32 948 234.7	305 134 844.2	
	Boxwood Property Fund	64 496 921.6	4 622 045.9		4 411 251.4	73 530 218.8	
	Summit Africa	25 307 386.6	15 937 901.4		10 879 486.0	52 124 774.0	
	Real Fund	7 630 101.7	1 229 292.0	138 798.3	1 129 362.2	10 127 554.1	
	Africa	Novare Africa Property Fund 1	271 302 885.9	52 690 543.3		53 595 690.3	377 589 119.5
		Novare Africa Property Fund 2	82 658 423.2	15 279 456.4		16 342 253.3	114 280 132.8
International	Novare Global Balanced	1 866 782 648.0	374 997 036.6	37 365 315.0	329 604 346.0	2 608 749 345.6	
	SALA Global Fund	654 485 561.2	131 473 549.1	13 099 558.6	115 518 524.6	914 577 193.5	
<b>Total Fund</b>		<b>8 227 663 777.5</b>	<b>2 051 493 733.7</b>	<b>285 887 502.7</b>	<b>1 665 649 089.6</b>	<b>12 230 694 103.5</b>	

# PORTFOLIO RISK STATISTICS OVERVIEW

	DB Members	DC Growth	DC Moderate	Pensioner
Best 1 Month Period	8.5%	8.6%	2.6%	7.9%
Worst 1 Month Period	-6.5%	-6.3%	-2.6%	-5.3%
Standard Deviation	7.5%	7.6%	2.3%	5.8%
Gain Deviation	5.7%	5.8%	1.8%	4.3%
Loss Deviation	4.9%	5.0%	1.6%	3.9%
Max Drawdown	13.3%	11.6%	3.1%	7.3%
Sharpe Ratio	0.33	0.34	0.67	0.22

\*Displayed risk statistics are calculated on actual portfolio/investment returns since inception of initial investment.

## MANAGER RISK STATISTICS OVERVIEW

Inception Date Benchmark	All Weather Equity		Aluwani Capital Equity		Argon Equity		Satrix Equity		Vunani Equity		Mianzo Equity	
	2018/10/31 JSE Capped Share Weighted Index											
Best 1 Month Period	15.0%	13.1%	16.7%	13.9%	14.1%	14.2%						
Worst 1 Month Period	-16.5%	-15.0%	-17.9%	-16.5%	-16.4%	-17.6%						
Standard Deviation	17.0%	16.8%	18.5%	17.4%	17.3%	17.9%						
Gain Deviation	12.1%	11.5%	12.7%	11.9%	11.6%	12.3%						
Loss Deviation	12.0%	12.2%	13.4%	12.7%	12.7%	13.1%						
Max Drawdown	29.4%	25.8%	28.6%	26.5%	27.7%	29.1%						
Sharpe Ratio	0.25	0.09	0.14	0.18	0.11	0.21						

\*Displayed risk statistics are calculated on actual portfolio/investment returns since inception of initial investment.

## MANAGER RISK STATISTICS OVERVIEW

	Balondolozzi Equity	Mergence Structured Product	Futuregrowth Infrastructure Bond	Stanlib Bond	Meago Property	Sanlam Cash
Inception Date	2018/10/31	2019/11/01	2008/08/31	2008/08/31	2012/08/31	2010/09/30
Benchmark	JSE Capped Share Weighted Index	JSE All Share Index Top 40	All Bond Index	All Bond Index	Listed Property	STEFI Composite
Best 1 Month Period	15.5%		7.4%	7.1%	17.8%	0.9%
Worst 1 Month Period	-15.6%		-11.1%	-9.3%	-36.4%	0.0%
Standard Deviation	17.7%		7.4%	7.5%	21.5%	0.5%
Gain Deviation	12.2%		5.6%	5.5%	13.3%	0.4%
Loss Deviation	12.8%		5.0%	5.1%	17.0%	0.2%
Max Drawdown	29.3%		11.2%	9.3%	62.7%	0.0%
Sharpe Ratio	0.09		0.54	0.36	0.16	2.01

\*Displayed risk statistics are calculated on actual portfolio/investment returns since inception of initial investment.

## MANAGER RISK STATISTICS OVERVIEW

Inception Date Benchmark	Cartesian Capital Money Market 2018/10/31 STEFI Composite	Mayibentsha Focused 2011/07/31 CPI + 4.5%	Mayibentsha Market Neutral 2011/07/31 CPI + 2.5%	Mayibentsha Moderate 2008/08/31 CPI + 3.5%	Terebinth Capital 2020/01/31 STEFI	Novare Global Balanced 2008/08/31 60% Equity / 40% Bonds
Best 1 Month Period	0.6%	6.2%	4.6%	4.9%	18.0%	11.6%
Worst 1 Month Period	0.3%	-4.2%	-4.2%	-3.5%	-11.7%	-9.2%
Standard Deviation	0.3%	4.9%	2.7%	3.6%	17.1%	12.5%
Gain Deviation	0.2%	3.8%	2.1%	2.9%	13.6%	9.7%
Loss Deviation	0.2%	3.2%	1.9%	2.5%	10.4%	8.0%
Max Drawdown	0.0%	5.9%	4.4%	6.0%	11.7%	16.5%
Sharpe Ratio	0.84	0.42	0.63	0.58	0.48	0.28

\*Displayed risk statistics are calculated on actual portfolio/investment returns since inception of initial investment.

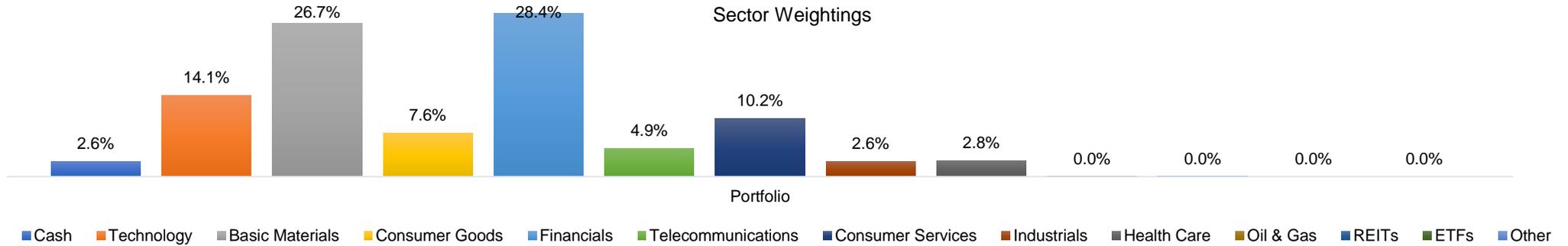
# EQUITY HOLDINGS

The tables and graphs below set out the portfolio's holdings as a percentage of the portfolio's equity holdings

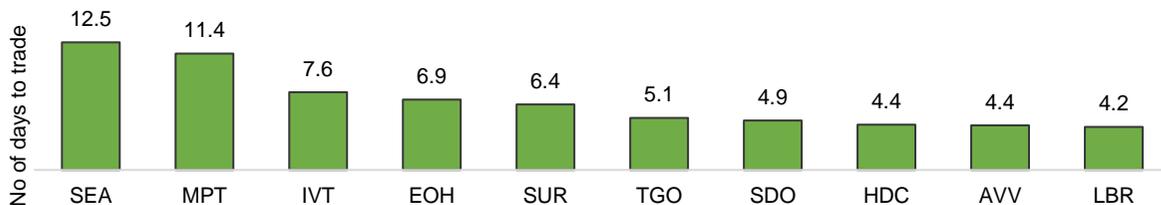
Total Fund: Top10 holdings			
Share	Weight	Return	PE Ratio
NPN	9.1%	42.3%	28.5
FSR	5.0%	-19.5%	11.1
PRX	4.5%	32.6%	38.7
AGL	4.3%	-24.7%	5.7
MTN	4.0%	-30.5%	13.7
SBK	4.0%	-14.8%	9.9
BTI	3.6%	13.6%	10.9
SOL	3.3%	4.7%	10.6
IMP	2.9%	-19.5%	4.0
BHG	2.8%	-20.8%	8.1

Total Fund: Top5 & Bottom5 estimate active contributors		
Share	Contribution	Quarterly Return
NPN	3.9%	42.3%
PRX	1.5%	32.6%
BTI	0.5%	13.6%
TGA	0.2%	25.9%
MEI	0.2%	30.4%
SBK	-0.6%	-14.8%
SSW	-0.7%	-32.0%
FSR	-1.0%	-19.5%
AGL	-1.1%	-24.7%
MTN	-1.2%	-30.5%

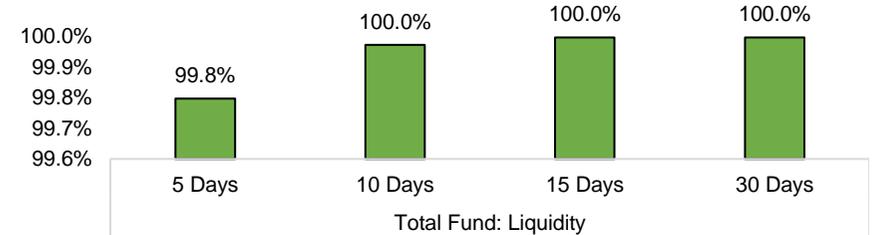
Sector Weightings



\* Total Fund: Most illiquid shares



\* % that can be traded



\* estimate liquidity based on participating in no more than 25% of the average daily traded volume over the previous 3 months

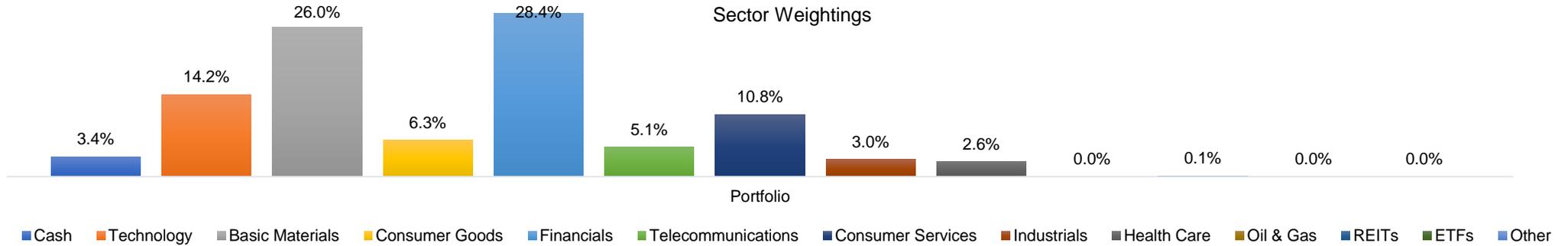
# EQUITY HOLDINGS

The tables and graphs below set out the portfolio's holdings as a percentage of the portfolio's equity holdings

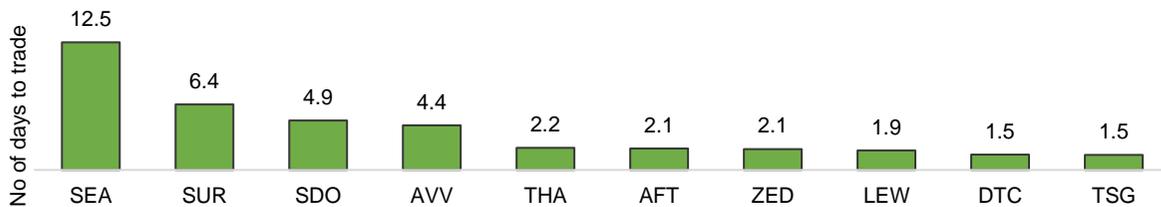
All Weather: Top10 holdings			
Share	Weight	Return	PE Ratio
NPN	9.0%	42.3%	28.5
MTN	4.5%	-30.5%	13.7
FSR	4.4%	-19.5%	11.1
AGL	4.3%	-24.7%	5.7
PRX	4.1%	32.6%	38.7
SBK	3.8%	-14.8%	9.9
BTI	3.6%	13.6%	10.9
SOL	3.5%	4.7%	10.6
CASH	3.4%	0.0%	0.0
OMU	2.8%	-19.9%	6.8

All Weather: Top5 & Bottom5 estimate active contributors		
Share	Contribution	Quarterly Return
NPN	3.8%	42.3%
PRX	1.3%	32.6%
BTI	0.5%	13.6%
MEI	0.3%	30.4%
TGA	0.2%	25.9%
SLM	-0.7%	-26.8%
SSW	-0.8%	-32.0%
FSR	-0.9%	-19.5%
AGL	-1.1%	-24.7%
MTN	-1.4%	-30.5%

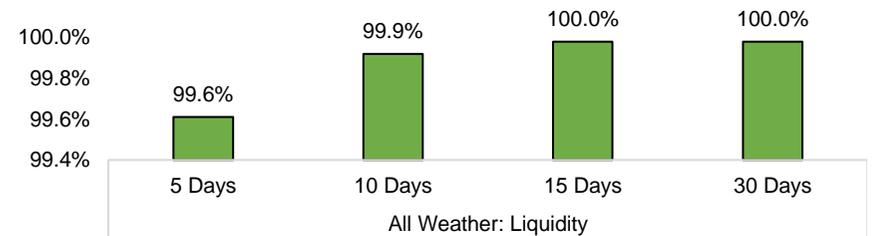
Sector Weightings



\* All Weather: Most illiquid shares



\* % that can be traded



\* estimate liquidity based on participating in no more than 25% of the average daily traded volume over the previous 3 months

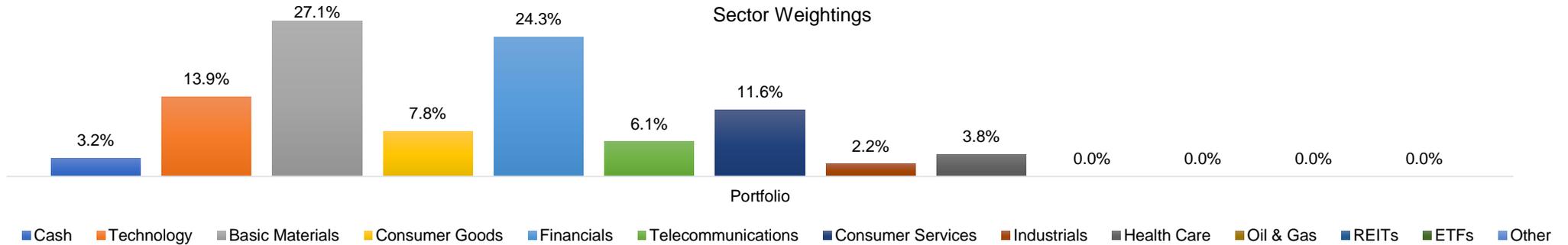
# EQUITY HOLDINGS

The tables and graphs below set out the portfolio's holdings as a percentage of the portfolio's equity holdings

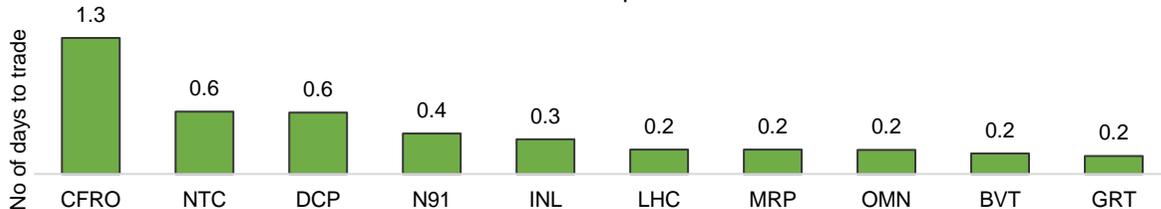
Aluwani: Top10 holdings			
Share	Weight	Return	PE Ratio
NPN	9.4%	42.3%	28.5
MTN	5.4%	-30.5%	13.7
SBK	4.7%	-14.8%	9.9
BTI	4.7%	13.6%	10.9
PRX	4.4%	32.6%	38.7
SOL	4.3%	4.7%	10.6
FSR	4.1%	-19.5%	11.1
AGL	4.0%	-24.7%	5.7
IMP	3.7%	-19.5%	4.0
BHG	3.5%	-20.8%	8.1

Aluwani: Top5 & Bottom5 estimate active contributors		
Share	Contribution	Quarterly Return
NPN	4.0%	42.3%
PRX	1.4%	32.6%
BTI	0.6%	13.6%
SOL	0.2%	4.7%
CFRO	0.0%	-33.6%
BHG	-0.7%	-20.8%
FSR	-0.8%	-19.5%
GFI	-0.8%	-32.9%
AGL	-1.0%	-24.7%
MTN	-1.7%	-30.5%

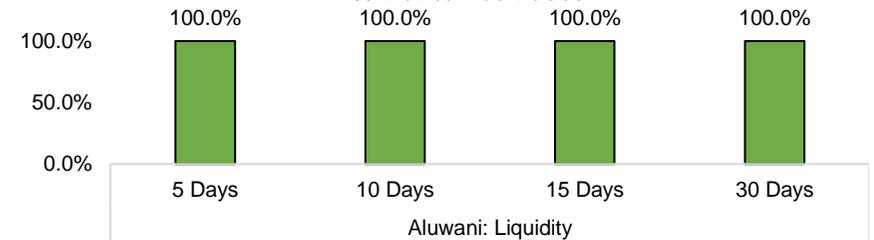
Sector Weightings



\* Aluwani: Most illiquid shares



\* % that can be traded



\* estimate liquidity based on participating in no more than 25% of the average daily traded volume over the previous 3 months

# EQUITY HOLDINGS

The tables and graphs below set out the portfolio's holdings as a percentage of the portfolio's equity holdings

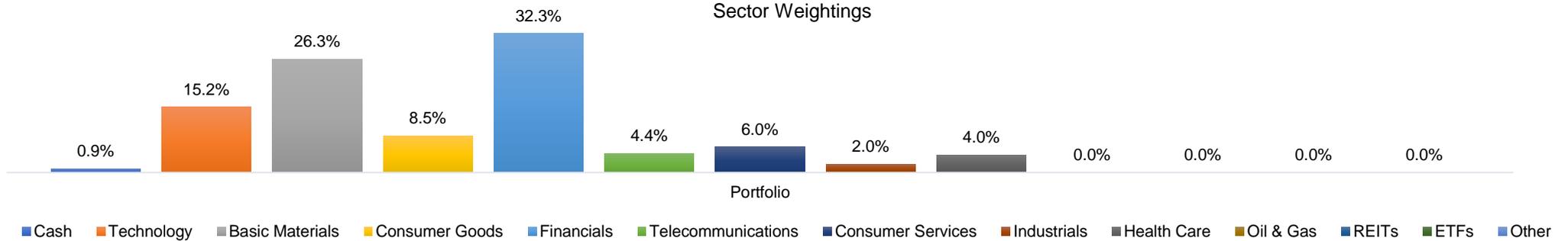
Argon: Top10 holdings

Share	Weight	Return	PE Ratio
NPN	7.8%	42.3%	28.5
PRX	7.1%	32.6%	38.7
BTI	6.4%	13.6%	10.9
FSR	5.7%	-19.5%	11.1
SBK	4.6%	-14.8%	9.9
AGL	4.4%	-24.7%	5.7
SOL	4.3%	4.7%	10.6
MTN	3.6%	-30.5%	13.7
IMP	3.2%	-19.5%	4.0
ABG	3.2%	-18.8%	7.2

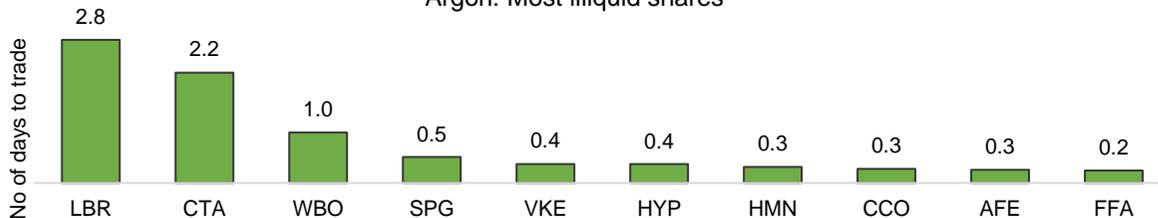
Argon: Top5 & Bottom5 estimate active contributors

Share	Contribution	Quarterly Return
NPN	3.3%	42.3%
PRX	2.3%	32.6%
BTI	0.9%	13.6%
MEI	0.4%	30.4%
SOL	0.2%	4.7%
SSW	-0.6%	-32.0%
SBK	-0.7%	-14.8%
AGL	-1.1%	-24.7%
FSR	-1.1%	-19.5%
MTN	-1.1%	-30.5%

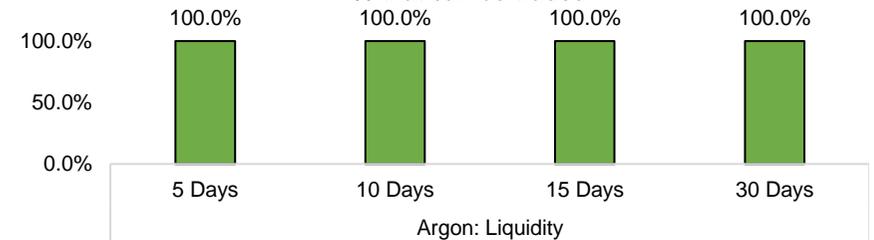
Sector Weightings



\* Argon: Most illiquid shares



\* % that can be traded



\* estimate liquidity based on participating in no more than 25% of the average daily traded volume over the previous 3 months

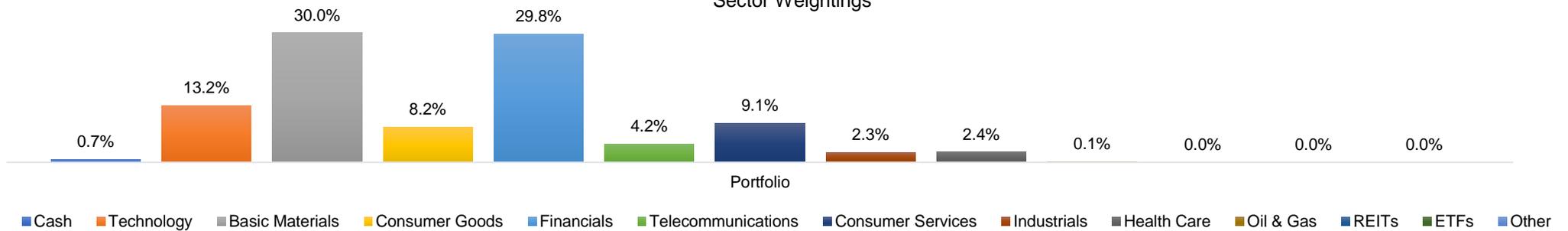
# EQUITY HOLDINGS

The tables and graphs below set out the portfolio's holdings as a percentage of the portfolio's equity holdings

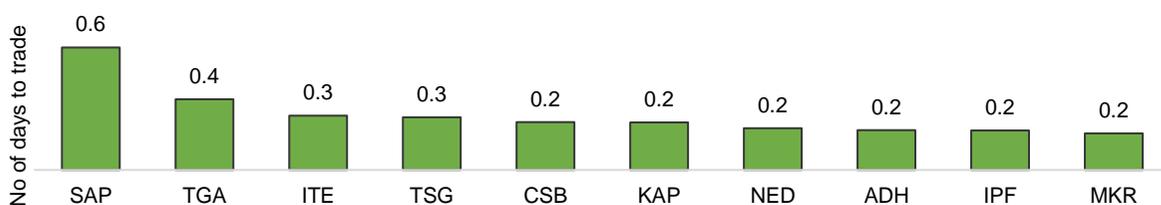
Balondoloz: Top10 holdings			
Share	Weight	Return	PE Ratio
NPN	9.0%	42.3%	28.5
CFR	6.2%	-8.8%	26.9
BHG	5.6%	-20.8%	8.1
FSR	5.5%	-19.5%	11.1
NED	5.3%	-11.1%	8.8
SAP	4.6%	-5.3%	5.4
AGL	4.4%	-24.7%	5.7
TGA	4.4%	25.9%	3.5
MTN	4.2%	-30.5%	13.7
PRX	4.1%	32.6%	38.7

Balondoloz: Top5 & Bottom5 estimate active contributors		
Share	Contribution	Quarterly Return
NPN	3.8%	42.3%
PRX	1.3%	32.6%
TGA	1.1%	25.9%
MEI	0.2%	30.4%
RMI	0.1%	15.3%
NED	-0.6%	-11.1%
FSR	-1.1%	-19.5%
AGL	-1.1%	-24.7%
BHG	-1.2%	-20.8%
MTN	-1.3%	-30.5%

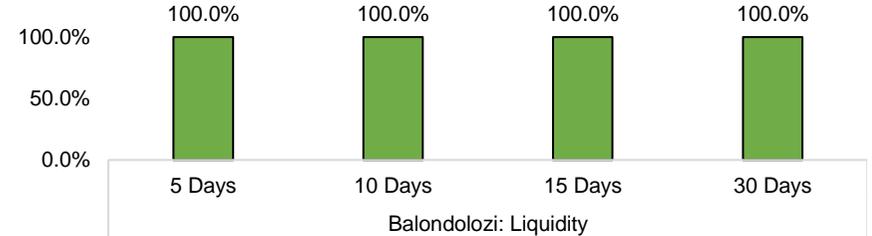
Sector Weightings



\* Balondoloz: Most illiquid shares



\* % that can be traded



\* estimate liquidity based on participating in no more than 25% of the average daily traded volume over the previous 3 months

# EQUITY HOLDINGS

The tables and graphs below set out the portfolio's holdings as a percentage of the portfolio's equity holdings

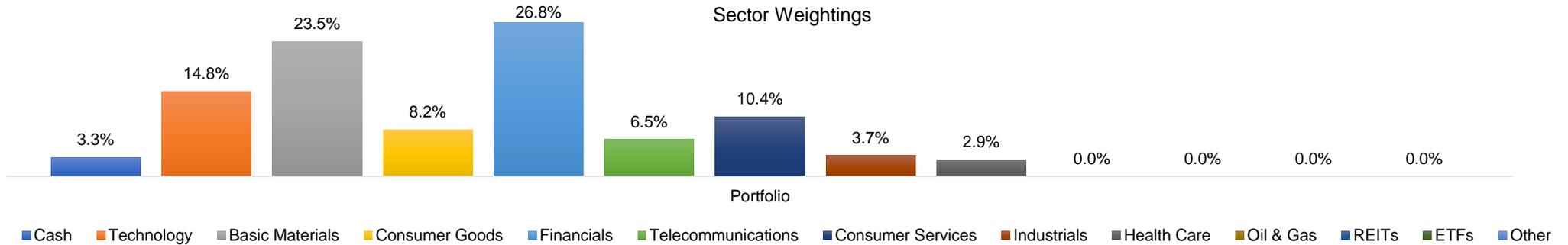
Mianzo: Top10 holdings

Share	Weight	Return	PE Ratio
NPN	9.9%	42.3%	28.5
FSR	4.8%	-19.5%	11.1
SBK	4.4%	-14.8%	9.9
MTN	4.3%	-30.5%	13.7
PRX	4.1%	32.6%	38.7
SOL	4.0%	4.7%	10.6
AGL	3.6%	-24.7%	5.7
BTI	3.4%	13.6%	10.9
CASH	3.3%	0.0%	0.0
IMP	3.3%	-19.5%	4.0

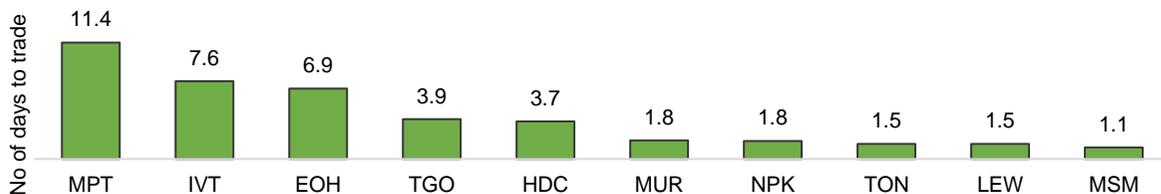
Mianzo: Top5 & Bottom5 estimate active contributors

Share	Contribution	Quarterly Return
NPN	4.2%	42.3%
PRX	1.3%	32.6%
BTI	0.5%	13.6%
ARL	0.2%	24.1%
SOL	0.2%	4.7%
IMP	-0.6%	-19.5%
SBK	-0.6%	-14.8%
AGL	-0.9%	-24.7%
FSR	-0.9%	-19.5%
MTN	-1.3%	-30.5%

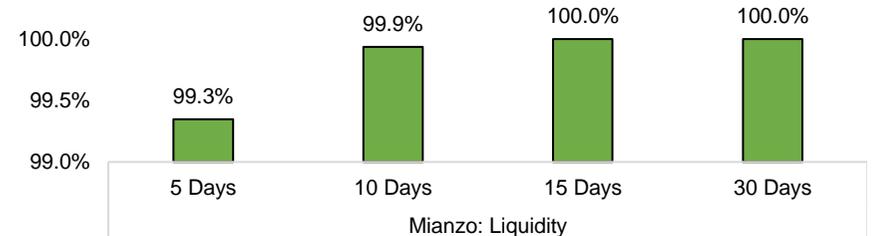
Sector Weightings



\* Mianzo: Most illiquid shares



\* % that can be traded



\* estimate liquidity based on participating in no more than 25% of the average daily traded volume over the previous 3 months

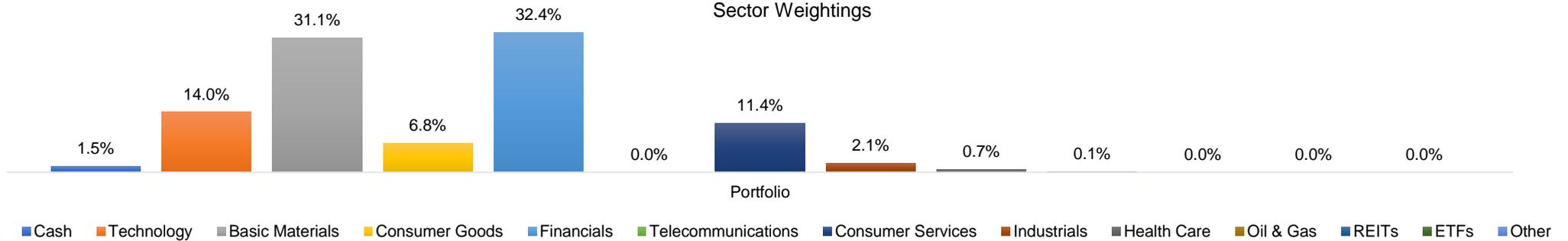
# EQUITY HOLDINGS

The tables and graphs below set out the portfolio's holdings as a percentage of the portfolio's equity holdings

Sanlam Satrix: Top10 holdings			
Share	Weight	Return	PE Ratio
NPN	9.7%	42.3%	28.5
FSR	7.0%	-19.5%	11.1
AGL	6.4%	-24.7%	5.7
PRX	4.1%	32.6%	38.7
BTI	3.5%	13.6%	10.9
NED	3.0%	-11.1%	8.8
SBK	2.9%	-14.8%	9.9
AMS	2.9%	-29.0%	4.8
SOL	2.7%	4.7%	10.6
CPI	2.6%	-15.3%	27.2

Sanlam Satrix: Top5 & Bottom5 estimate active contributors		
Share	Contribution	Quarterly Return
NPN	4.1%	42.3%
PRX	1.3%	32.6%
BTI	0.5%	13.6%
SOL	0.1%	4.7%
TGA	0.1%	25.9%
SSW	-0.8%	-32.0%
GFI	-0.8%	-32.9%
AMS	-0.8%	-29.0%
FSR	-1.4%	-19.5%
AGL	-1.6%	-24.7%

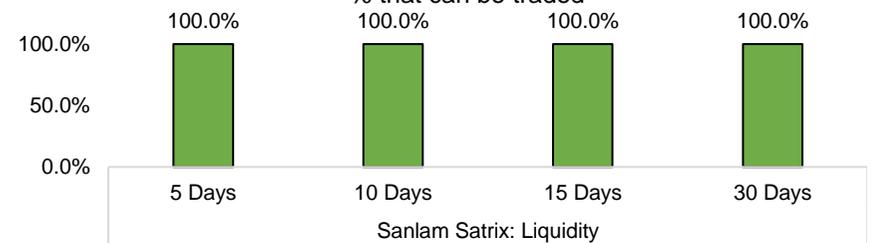
Sector Weightings



\* Sanlam Satrix: Most illiquid shares



\* % that can be traded



\* estimate liquidity based on participating in no more than 25% of the average daily traded volume over the previous 3 months

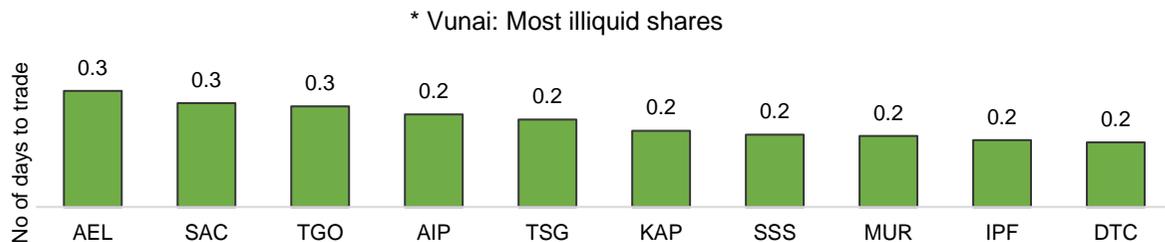
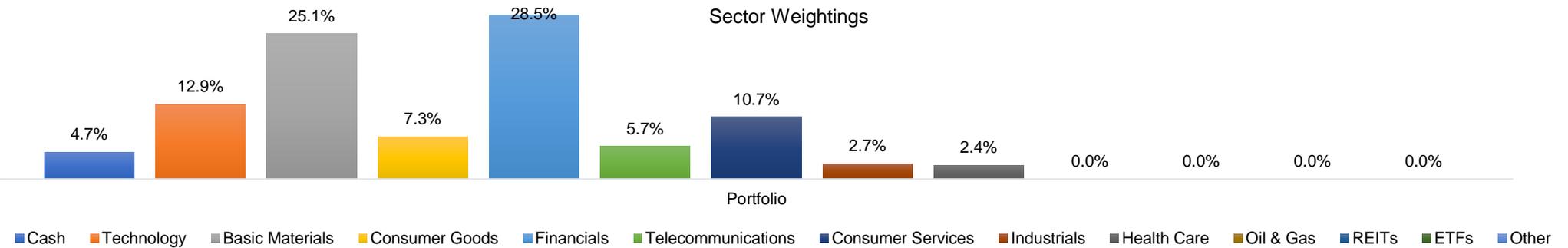
Sanlam Satrix: Liquidity

# EQUITY HOLDINGS

The tables and graphs below set out the portfolio's holdings as a percentage of the portfolio's equity holdings

Vunai: Top10 holdings			
Share	Weight	Return	PE Ratio
NPN	8.6%	42.3%	28.5
FSR	5.3%	-19.5%	11.1
CASH	4.7%	0.0%	0.0
AGL	4.2%	-24.7%	5.7
MTN	4.1%	-30.5%	13.7
PRX	4.0%	32.6%	38.7
SOL	3.6%	4.7%	10.6
SBK	3.5%	-14.8%	9.9
BTI	3.1%	13.6%	10.9
CPI	2.8%	-15.3%	27.2

Vunai: Top5 & Bottom5 estimate active contributors		
Share	Contribution	Quarterly Return
NPN	3.7%	42.3%
PRX	1.3%	32.6%
BTI	0.4%	13.6%
MEI	0.2%	30.4%
SOL	0.2%	4.7%
SBK	-0.5%	-14.8%
SSW	-0.6%	-32.0%
AGL	-1.0%	-24.7%
FSR	-1.0%	-19.5%
MTN	-1.2%	-30.5%



\* estimate liquidity based on participating in no more than 25% of the average daily traded volume over the previous 3 months

## Section C

Glossary



# INVESTMENT GLOSSARY

## ALTERNATIVE INVESTMENTS

Any non-traditional asset class. Investing in these generally provides a portfolio with greater diversification.

## ANNUALISED RETURN

Where a cumulative return is over a period greater than a year, an annualised return is what the return is when converted into annual periods. For example, if the cumulative return over a 3-year period was 6%, the annualised return would be approximately 2% p.a. It means the investment earned an effective return of around 2% each year over the 3-year period (to arrive at the 6%).

## ASSET CLASS

A type of investment, such as equities, bonds, cash, private equity etc.

## BENCHMARK

What a portfolio, asset class or investment manager is judged against.

## BENCHMARK PERFORMANCE

The performance return of an investment manager's benchmark or a Fund's strategic asset allocation.

## BOND

A bond is issued by a company or country where it borrows money from the market, with a promise to repay it back. Bonds are characterised by what interest is paid back each year, and how long the term of the bond is.

## CPI

Consumer price index. It is commonly used to identify periods of inflation or deflation.

## CREDIT RATING

The rating given by a credit-rating agency, based on its view of the financial wellbeing of a company or country and the likelihood of default (i.e. inability to meet debt obligations). The highest rating is usually AAA, and the lowest is D.

## CRISA

Code of Responsible Investing in South Africa.

## CUMULATIVE RETURN

The aggregated return of an investment over a particular time-period.

## DERIVATIVES

A derivative is a security of which the price is dependent upon or derived from one or more underlying assets.

## EQUITY

Referring to the asset class, equity describes the ownership of a company. An individual or financial institution can own part of the company by buying equity shares or stocks. These are generally traded on a stock exchange, such as the Johannesburg Stock Exchange.

## FUND OBJECTIVE

The investment objective that a Fund portfolio is trying to achieve. This is generally a return in excess of CPI. E.g. CPI + 3% per annum.

# INVESTMENT GLOSSARY

A hand in a dark suit sleeve points towards a document. The document features several charts, including two pie charts and a table. The pie charts are labeled with 'Energy', 'Industrial', and 'Agriculture'. The table has columns for 'Global Equities', 'Global Bonds', and 'Global Real Estate'. The background is a blurred office setting.

## HEDGE FUND

A type of alternative asset class. Here the investment manager generally invests in traditional asset classes, but has more tools to express their view of the market. Hedge funds look to protect capital in times of market falls and offer diversification from traditional asset classes.

## INDEX

A benchmark measure to gauge how an asset class has performed. For example, the JSE All Share index is a measure to gauge how South African equities have performed.

## INFLATION

The increase (or decrease) in the price of goods. For example, if inflation over the year was 5%, this means that prices rose by 5% over the period.

## INTERNATIONAL

The assets of a Fund that are invested outside of South Africa. Exposure is limited to 30% per Regulation 28 of the Pension Fund, or 40% subject to 10% being invested in Africa.

## INVESTMENT OBJECTIVE

The target that an investment fund or portfolio is trying to achieve.

## INVESTMENT POLICY STATEMENT (IPS)

A document which sets out the investment aspects of the Fund, including its Fund objectives and describes the various strategies followed to meet them.

## MONTHLY RETURN

The performance return over a month.

## MANDATE

An investment manager's portfolio and objective.

## OVERWEIGHT

To have a higher allocation in a particular asset class or security than what the comparable benchmark indicates.

## PERFORMANCE

How much the value of a portfolio or instrument has grown by over a particular period.

## PRIVATE EQUITY

An alternative asset class where investors buy equity ownership of a company but where the equity is not listed on a stock exchange.

## PROPERTY

An asset class where one invests in property either directly (i.e. buying a property) or indirectly (i.e. buying property shares on the stock exchange).

## PROTECTED EQUITY

An asset class giving the investor exposure to equities, but whilst also offering protection against market falls.

# INVESTMENT GLOSSARY

## REGULATION 28

Refers to regulation 28 of the Pension Funds Act, i.e. the guidelines for South African retirement funds which is aimed at ensuring Funds are not taking on too much risk, by limiting the excessive use of specific investment instruments, markets and asset classes.

## REPO RATE

The interest rate which the Reserve Bank lends money to the commercial banks. An increase in the repo rates puts pressure on commercial banks to increase the prime rate.

## SHARPE RATIO

A statistical measure indicating the reward for taking on an additional unit of risk. A high positive value is ideal as it indicates that for the risk taken, positive returns were achieved.

## STRATEGIC ASSET ALLOCATION

This is the target that a Fund portfolio should be invested in over the long term across various asset classes. The strategic asset allocations are designed to help meet the Fund objective.

## TACTICAL ASSET ALLOCATION

These are deviations made away from the strategic asset allocation with the aim of enhancing performance based on views of the investment markets.

## TRACKING ERROR

A statistical measure indicating the deviation or difference of a portfolio's return compared to its benchmark return.

## TRADITIONAL ASSET CLASS

This generally refers to equities, bonds, cash and property

## UNDERWEIGHT

To have a lower allocation in a particular asset class or security than what the comparable benchmark indicates.

## VOLATILITY

A risk measure characterised by the standard deviation of portfolio returns. The higher the value, the higher expected risk.

## YEAR-TO-DATE ("YTD")

The performance return since the beginning of the latest calendar year

---

## CONTACT US

Novare Actuaries and Consultants (Pty) Ltd

Registration No: 2001/008015/07

Third Floor, The Cliffs Office Block I

Niagara Way, Tyger Falls

Carl Cronje Drive, Bellville, 7530

South Africa

P O Box 4742, Tyger Valley, 7536

